

1 S.150

2 Introduced by Senator Sears

3 Referred to Committee on Judiciary

4 Date: April 25, 2023

5 Subject: Insurance; automobile; Med Pay; uninsured and underinsured  
6 motorist coverage

7 Statement of purpose of bill as introduced: This bill proposes to make several  
8 amendments to Vermont law concerning automobile insurance. First, the bill  
9 increases the statutorily required minimum coverage for uninsured and  
10 underinsured motorists. Second, it prohibits an insurer from deducting from  
11 the underinsurance motorist coverage available to a claimant any payments the  
12 claimant receives through the at-fault driver's liability insurance policy.  
13 Finally, it limits an insurer's subrogation rights as they pertain to medical  
14 payments coverage.

15 An act relating to automobile insurance

16 It is hereby enacted by the General Assembly of the State of Vermont:

17 ~~Sec. 1, 23 V.S.A. § 941(c) is amended to read:~~

18 (c) The coverages under subsections (c) and (b) of this section for new or  
19 renewed policies shall be not less than ~~\$50,000.00~~ \$100,000.00 for one person

1 ~~and \$100,000.00, \$200,000.00 for two or more persons killed or injured. If the~~  
2 limits of liability coverage in the policy are greater than \$50,000.00 for one  
3 person and \$100,000.00 for two or more persons injured or killed, the limits of  
4 uninsured motorist insurance shall be the same, unless the policyholder  
5 otherwise directs.

6 Sec. 2. 23 V.S.A. § 941(h) is added to read:

7 (h) Payments made to an injured party under the liability insurance policy  
8 of the person legally responsible for the damage or personal injury shall not be  
9 deducted from the underinsured motorist coverage otherwise available to the  
10 injured party.

11 Sec. 3. 8 V.S.A. § 4203(4) is amended to read:

12 (4) Payment of any judicial judgment or claim by the insured for any of  
13 the company's liability under the policy shall not bar the insured from any  
14 action or right of action against the company. In case of payment of loss or  
15 expense under the policy, the company shall be subrogated to all rights of the  
16 insured against any party, as respects such loss or expense, to the amount of  
17 such payment, and the insured shall execute all papers required and shall  
18 cooperate with the company to secure to the company such rights. However,  
19 the right of subrogation against any third party shall not exist or be claimed in  
20 favor of the insurer who has paid or reimbursed, to or for the benefit of the  
21 insured, medical costs payable pursuant to medical payments coverage.

1 ~~Sec. 4. EFFECTIVE DATE: APPLICATION~~

2 ~~This act shall take effect on passage and shall apply to all automobile~~  
3 ~~insurance policies offered or renewed on or after July 1, 2023.~~

*Sec. 1. 23 V.S.A. § 941 is amended to read:*

*§ 941. INSURANCE AGAINST UNINSURED, UNDERINSURED, OR  
UNKNOWN MOTORIST*

*\* \* \**

*(f) For the purpose of this subchapter, a motor vehicle is underinsured to the extent that:*

*(1) the liability insurance limits applicable at the time of the crash are less than the limits of the uninsured motorist coverage applicable to the insured damages that a person insured pursuant to this section is legally entitled to recover because of injury or death; or*

*(2) the available liability insurance has been reduced by payments to others injured in the crash to an amount less than the limits of the uninsured motorist coverage applicable to the insured damages that a person insured pursuant to this section is legally entitled to recover because of injury or death.*

*\* \* \**

*(h) Payments made to an injured party under the liability insurance policy of the person legally responsible for the damage or personal injury shall not be deducted from the underinsured motorist coverage otherwise available to the injured party.*

*Sec. 2. 8 V.S.A. § 4203(4) is amended to read:*

*(4) Payment of any judicial judgment or claim by the insured for any of the company's liability under the policy shall not bar the insured from any action or right of action against the company. In case of payment of loss or expense under the policy, the company shall be subrogated to all rights of the insured against any party, as respects such loss or expense, to the amount of such payment, and the insured shall execute all papers required and shall cooperate with the company to secure to the company such rights. However, the right of subrogation against any third party shall not exist or be claimed in favor of the insurer who has paid or reimbursed, to or for the benefit of the insured, medical costs payable pursuant to medical payments coverage.*

*Sec. 3. EFFECTIVE DATE; APPLICATION*

*This act shall take effect on passage and shall apply to all automobile insurance policies offered, issued, or renewed on or after January 1, 2025.*