

1 S.150

2 Introduced by Senator Sears

3 Referred to Committee on

4 Date:

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 (a) 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
20 and ~~\$100,000.00~~ \$200,000.00 for two or more persons killed or injured. If the

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

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

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

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

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