

1 S.7

2 Introduced by Senator Hashim

3 Referred to Committee on

4 Date:

5 Subject: Insurance; automobile; underinsured motorist coverage; medical
6 payments coverage

7 Statement of purpose of bill as introduced: This bill proposes to amend
8 Vermont law as it pertains to automobile insurance. Specifically, the bill
9 prohibits an insurer from deducting from the underinsurance motorist coverage
10 available to a policyholder any payments received by the policyholder through
11 the at-fault driver's liability insurance policy. It also limits an insurer's
12 subrogation rights with respect to medical payments coverage.

13 An act relating to automobile insurance

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

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

16 § 941. INSURANCE AGAINST UNINSURED, UNDERINSURED, OR

17 UNKNOWN MOTORISTS

18 * * *

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

1 the right of subrogation against any third party shall not exist or be claimed in
2 favor of the insurer who has paid or reimbursed, to or for the benefit of the
3 insured, medical costs payable pursuant to medical payments coverage.

4 Sec. 3. EFFECTIVE DATE; APPLICATION

5 This act shall take effect on passage and shall apply to all automobile
6 insurance policies offered, issued, or renewed on or after January 1, 2026.