

State Corporation Commission

2022 Fiscal Impact Statement

1. Bill Number: SB 754

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Obenshain

3. Committee: Commerce and Labor

4. Title: Motor vehicle insurance; underinsured motor vehicle.

5. Summary: Requires any motor vehicle liability insurance policy issued, delivered, or renewed in the Commonwealth after July 1, 2022, to include a specific statement regarding the insurer requirements to provide underinsured motorist coverage that pays any damages due to an insured in addition to any bodily injury or property damage liability that is applicable to the insured's damages. Under the bill, underinsured motorist coverage shall be paid without any credit for the bodily injury and property damage coverage available for payment, unless any named insured elects to reduce any underinsured motorist coverage payments by notifying the insurer. If an injured person is entitled to underinsured motorist coverage under more than one policy may elect to receive a credit to the extent that the available liability coverage exceeds the amount of underinsured motorist coverage from a higher priority policy. The bill also provides that taxicab operators may fulfill their insurance filing requirement by showing evidence of a certificate of self-insurance.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

8. Fiscal Implications: None for the State Corporation Commission Bureau of Insurance

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission Bureau of Insurance

10. Technical Amendment Necessary: No

11. Other Comments: Senate Bill 754 alters the calculation of how much underinsured motorist coverage is available to an injured person as the result of an accident. The amendment in the nature of a substitute simplifies the calculation to determine how much underinsured motorist coverage applies to a claim. The bill directs that in the priority of payment (used when more than one policy applies to an injured person's claim), only the policy in priority one gets an offset if that policy has purchased the offset. Regardless of the options (offset/excess) chosen by the policies in priorities two and three, no additional offset is applied.

Date: 2/7/22/V. Tompkins