

State Corporation Commission
2021 Fiscal Impact Statement

1. Bill Number: SB1195

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Obenshain

3. Committee: Senate Floor

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

5. Summary: Provides that a motor vehicle is underinsured when the total amount of bodily injury and property damage coverage applicable to the operation or use of the motor vehicle and available for payment for such bodily injury or property damage, including all bonds or deposits of money or securities, is insufficient to fully compensate any person injured as a result of the operation or use of the vehicle. The insurer is obligated to make payment for bodily injury or property damage caused by the operation or use of an underinsured motor vehicle to the extent the vehicle is underinsured without any credit, set-off or reduction for the available bodily injury and property damage coverage. Currently, a motor vehicle is underinsured when such coverage is less than the total amount of damages sustained up to the total amount of uninsured motorist coverage afforded any person injured as a result of the operation or use of the vehicle.

6. Budget amendment necessary: No

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

8. Fiscal Implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: The amendment in the nature of a substitute to Senate Bill 1195 makes uninsured motorist coverage, where there are multiple policies involved, pay in the order outlined in § 38.2-2206 of the Code of Virginia rather than on a pro rata basis on the respective policy limits available to an injured person as the result of an accident.

Date: 01/26/21/V. Tompkins