

1 S.121

2 Introduced by Senator Zuckerman

3 Referred to Committee on

4 Date:

5 Subject: Insurance; property and casualty; deductible; third party

6 Statement of purpose of bill as introduced: This bill proposes to require
7 insurers to waive any deductible requirement when the insured's claim arises
8 from the alleged negligent act or omission of a third party.

9 An act relating to the waiver of insurance deductibles

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

11 Sec. 1. 8 V.S.A. § 4697 is added to read:

12 § 4697. DEDUCTIBLES; WAIVER

13 When an insured files a claim with an insurer for loss of or damage to
14 property caused by the alleged negligent act or omission of a third party, the
15 insurer shall waive any deductible requirement that otherwise would be
16 applicable to the insured and shall not deny or refuse to provide any plan
17 benefits otherwise available to an insured. The insured shall be required to pay
18 the deductible only if the insurer pursues a tort claim against the third party
19 and any judgment rendered does not fully compensate the insurer for the
20 benefits provided to the insured. An insured that makes an allegation against a

1 third party in bad faith under this section shall be liable for twice the amount of
2 any deductible waived by the insurer as a result of such bad faith allegation.

3 Sec. 2. EFFECTIVE DATE

4 This act shall take effect on July 1, 2013 and shall apply to all policies,
5 contracts, and benefit plans on or after July 1, 2013 on such date as a policy,
6 contract, or benefit plan is offered, issued, or renewed.