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SENATE BILL NO. 1159

Offered January 8, 2025

Prefiled January 7, 2025

A BILL to amend and reenact § 38.2-2202 of the Code of Virginia, relating to motor vehicle insurance; underinsured motorist coverage; required notice.

Patron—Obenshain

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-2202 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-2202. Required notice of optional coverage available.

A. 1. No new policy for insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle shall be issued or delivered in the Commonwealth unless there is enclosed with the policy, in boldface type, the following statement:

"IMPORTANT NOTICE:

IN ADDITION TO THE MINIMUM INSURANCE REQUIRED BY LAW, YOU MAY PURCHASE ADDITIONAL INSURANCE COVERAGE FOR THE NAMED INSURED AND FOR HIS RELATIVES WHO ARE MEMBERS OF HIS HOUSEHOLD WHILE IN OR UPON, ENTERING OR ALIGHTING FROM A MOTOR VEHICLE, OR THROUGH BEING STRUCK BY A MOTOR VEHICLE WHILE NOT OCCUPYING A MOTOR VEHICLE, AND FOR OCCUPANTS OF THE INSURED MOTOR VEHICLE. THE FOLLOWING HEALTH CARE AND DISABILITY BENEFITS ARE AVAILABLE FOR EACH ACCIDENT In addition to the minimum insurance required by law, you may purchase additional insurance coverage for the named insured and for his relatives who are members of his household while in or upon, entering or alighting from a motor vehicle, or through being struck by a motor vehicle while not occupying a motor vehicle, and for occupants of the insured motor vehicle. The following health care and disability benefits are available for each accident:

1. PAYMENT OF UP TO \$2,000 PER PERSON FOR ALL REASONABLE AND NECESSARY EXPENSES FOR MEDICAL, CHIROPRACTIC, HOSPITAL, DENTAL, SURGICAL, PROSTHETIC AND REHABILITATION SERVICES, SERVICES PROVIDED BY AN EMERGENCY MEDICAL SERVICES VEHICLE AS DEFINED IN § 32.1-111.1, AND FUNERAL EXPENSES RESULTING FROM THE ACCIDENT AND INCURRED WITHIN THREE YEARS AFTER THE DATE OF THE ACCIDENT. HOWEVER, IF YOU DO NOT PURCHASE THE \$2,000 LIMIT OF COVERAGE, YOU AND THE COMPANY MAY AGREE TO ANY OTHER LIMIT (a) Payment of up to \$2,000 per person for all reasonable and necessary expenses for medical, chiropractic, hospital, dental, surgical, prosthetic and rehabilitation services, services provided by an emergency medical services vehicle as defined in § 32.1-111.1 of the Code of Virginia, and funeral expenses resulting from the accident and incurred within three years after the date of the accident. However, if you do not purchase the \$2,000 limit of coverage, you and the company may agree to any other limit; AND and

2. AN AMOUNT EQUAL TO THE LOSS OF INCOME UP TO \$100 PER WEEK IF THE INJURED PERSON IS ENGAGED IN AN OCCUPATION FOR WHICH HE RECEIVES COMPENSATION, FROM THE FIRST WORKDAY LOST AS A RESULT OF THE ACCIDENT UP TO THE DATE THE PERSON IS ABLE TO RETURN TO HIS USUAL OCCUPATION. SUCH PAYMENTS ARE LIMITED TO A PERIOD EXTENDING ONE YEAR FROM THE DATE OF THE ACCIDENT (b) An amount equal to the loss of income up to \$100 per week if the injured person is engaged in an occupation for which he receives compensation, from the first workday lost as a result of the accident up to the date the person is able to return to his usual occupation. Such payments are limited to a period extending one year from the date of the accident.

IF YOU DESIRE TO PURCHASE EITHER OR BOTH OF THESE COVERAGES AT AN ADDITIONAL PREMIUM, YOU MAY DO SO BY CONTACTING THE AGENT OR COMPANY THAT ISSUED YOUR POLICY If you desire to purchase either or both of these coverages at an additional premium, you may do so by contacting the agent or company that issued your policy."

2. The insurer issuing the policy shall inform the insured by any reasonable means of communication of the approximate premium for the additional coverage.

B. No new policy of insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle shall be issued or delivered in the Commonwealth unless the following statement, printed in boldface type, is enclosed with the policy:

"IMPORTANT NOTICE:

59 YOU ARE ENTITLED TO PURCHASE UNINSURED/UNDERINSURED COVERAGE LIMITS
60 EQUAL TO THE LIABILITY LIMITS ON YOUR MOTOR VEHICLE POLICY. HOWEVER, ANY ONE
61 NAMED INSURED HAS THE RIGHT TO REDUCE THE LIMITS OF THE
62 UNINSURED/UNDERINSURED MOTORIST COVERAGE TO LESS THAN THE LIABILITY LIMITS
63 ON THE POLICY BUT NO LOWER THAN THE FINANCIAL RESPONSIBILITY LIMITS REQUIRED
64 BY § 46.2-472 OF THE CODE OF VIRGINIA. THE INSURER MAY REQUIRE THAT A REQUEST TO
65 REDUCE COVERAGE BE IN WRITING. ONCE ANY ONE NAMED INSURED REDUCES THE
66 POLICY LIMITS FOR UNINSURED/UNDERINSURED MOTORIST COVERAGE BELOW THE
67 POLICY'S LIABILITY LIMITS, THAT ELECTION IS BINDING ON ALL INSUREDS ON THE
68 POLICY. LATER, IF YOU DESIRE TO INCREASE YOUR LIMITS, YOU MUST MAKE A SPECIFIC
69 REQUEST TO YOUR INSURER. YOU MAY WANT TO PUT THIS REQUEST IN WRITING *You are*
70 *entitled to purchase uninsured/underinsured coverage limits equal to the liability limits on your motor*
71 *vehicle policy. However, any one named insured has the right to reduce the limits of the*
72 *uninsured/underinsured motorist coverage to less than the liability limits on the policy but no lower than the*
73 *financial responsibility limits required by § 46.2-472 of the Code of Virginia. The insurer may require that a*
74 *request to reduce coverage be in writing. Once any one named insured reduces the policy limits for*
75 *uninsured/underinsured motorist coverage below the policy's liability limits, that election is binding on all*
76 *insureds on the policy. Later, if you desire to increase your limits, you must make a specific request to your*
77 *insurer. You may want to put this request in writing.*

78 BEFORE REDUCING THE LIMITS OF THE UNINSURED/UNDERINSURED MOTORIST
79 COVERAGE, YOU SHOULD CAREFULLY CONSIDER THAT THIS COVERAGE PROVIDES
80 IMPORTANT PROTECTION IN THE EVENT YOU ARE INJURED OR YOUR MOTOR VEHICLE IS
81 DAMAGED DUE TO THE ACTIONS OF AN UNINSURED/UNDERINSURED MOTORIST *Before*
82 *reducing the limits of the uninsured/underinsured motorist coverage, you should carefully consider that this*
83 *coverage provides important protection in the event you are injured or your motor vehicle is damaged due to*
84 *the actions of an uninsured/underinsured motorist."*

85 C. No policy of insurance covering liability arising out of the ownership, maintenance, or use of any
86 motor vehicle shall be issued, delivered, or renewed after July 1, 2023 2025, in the Commonwealth unless the
87 following statement, printed in boldface type, is enclosed with the policy:

88 "IMPORTANT NOTICE:

89 PREVIOUSLY, YOUR UNDERINSURED MOTORIST COVERAGE PAID DAMAGES DUE TO AN
90 INSURED AFTER ANY CREDIT OF THE BODILY INJURY OR PROPERTY DAMAGE LIABILITY
91 COVERAGE APPLICABLE TO THE INSURED'S DAMAGES HAD BEEN APPLIED.

92 THE LAW HAS BEEN AMENDED TO REQUIRE INSURERS TO PROVIDE UNDERINSURED
93 MOTORIST COVERAGE THAT PAYS ANY DAMAGES DUE TO AN INSURED IN ADDITION TO
94 ANY BODILY INJURY OR PROPERTY DAMAGE LIABILITY THAT IS APPLICABLE TO THE
95 INSURED'S DAMAGES. THIS CHANGE MAY AFFECT YOUR PREMIUM.

96 YOU MAY ELECT TO REFUSE THIS CHANGE IN YOUR UNDERINSURED MOTORIST
97 COVERAGE *Your insurance is required to provide underinsured motorist coverage that pays any damages*
98 *due to an insured in addition to any bodily injury or property damage liability that is applicable to the*
99 *insured's damages. You may choose to change the way your underinsured motorist coverage is calculated.*
100 *Depending on the change, you may reduce the amount of coverage you have and your premium may change.*
101 *Contact your agent or insurer for additional information.*

102 AN ELECTION TO DECREASE YOUR UNDERINSURED MOTORIST COVERAGE MUST BE IN
103 WRITING. ONCE ANY ONE NAMED INSURED ELECTS TO DECREASE THE UNDERINSURED
104 MOTORIST COVERAGE, THAT ELECTION IS BINDING ON ALL INSUREDS ON THE POLICY.
105 LATER, IF YOU DESIRE TO PURCHASE INCREASED UNDERINSURED MOTORIST COVERAGE,
106 YOU MUST MAKE A SPECIFIC REQUEST TO YOUR INSURER. YOU MUST PUT THIS REQUEST
107 IN WRITING *Any request to change how your underinsured motorist coverage is calculated must be in*
108 *writing. Once any named insured chooses to make such a change in the underinsured motorist coverage, that*
109 *change is binding on all insureds on the policy. Any later changes you may wish to make to how your*
110 *underinsured motorist coverage is calculated must also be in writing.*

111 BEFORE ELECTING TO DECREASE YOUR UNDERINSURED MOTORIST COVERAGE, YOU
112 SHOULD CAREFULLY CONSIDER THAT THIS COVERAGE PROVIDES IMPORTANT
113 PROTECTION IN THE EVENT YOU ARE INJURED OR YOUR MOTOR VEHICLE IS DAMAGED
114 DUE TO THE ACTIONS OF AN UNDERINSURED MOTORIST *Before changing how your underinsured*
115 *motorist coverage is calculated, you should carefully consider that this coverage provides important*
116 *protection in the event you are injured or your motor vehicle is damaged due to the actions of an*
117 *underinsured motorist."*