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SENATE BILL NO. 1159

Senate Amendments in [] - January 23, 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 Prior to Engrossment—Senator 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:

YOU ARE ENTITLED TO PURCHASE UNINSURED/UNDERINSURED COVERAGE LIMITS

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

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

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

87 **"IMPORTANT NOTICE:**

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

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

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

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

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

117 **[2. That the provisions of this act shall apply only to contracts, policies, or plans delivered, issued for**
 118 **delivery, or renewed in the Commonwealth on or after January 1, 2026.]**