

HB 659 -- Underinsured Motor Vehicle Coverage

Sponsor: Burnett

This bill defines "underinsured motorist" as a party with motor vehicle liability insurance coverage in an amount less than a judgment recovered against the party for damages resulting from injury due to a motor vehicle accident. Every insurer will offer underinsured motorist coverage for their insureds. This coverage will pay the additional amount of a judgment which exceeds the liability policy limits of the at-fault driver.

An insurer has the right to settle or retain subrogation rights on claims. If the underinsured motorist's insurer refuses to consent to settle the claim, then within 30 days after receipt of the notice of the proposed settlement, the underinsured motorist's insurer will pay the injured party the amount of the written offer from the underinsured motorist's liability insurer. Upon final resolution of the underinsured motorist's claim, the underinsured motorist's insurer is entitled to seek subrogation against the liability insurer to the extent of its limits of liability insurance and the underinsured motorist for the amounts paid to the injured party.