

## SENATE BILL No. 159

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-7-5.

**Synopsis:** Commercial vehicle insurance. Specifies that the law requiring an insurer to make available uninsured motorist and underinsured motorist coverage does not apply to the issuance of certain liability insurance policies.

**Effective:** July 1, 2004.

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January 6, 2004, read first time and referred to Committee on Insurance and Financial Institutions.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

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## SENATE BILL No. 159



A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 27-7-5-1.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2004]: **Sec. 1.5. (a) As used in this section, "commercial vehicle**
- 4 **policy" means either of the following:**
- 5 (1) **A motor vehicle insurance policy issued to a named**
- 6 **insured that is not a natural person.**
- 7 (2) **An insurance policy that provides coverage for at least one**
- 8 **(1) of the following:**
- 9 (A) **A motor vehicle that is rated or insured as a business**
- 10 **or commercial vehicle.**
- 11 (B) **A motor vehicle that is licensed by the state as a**
- 12 **commercial vehicle.**
- 13 (C) **A commercial garage operation, an automobile sales**
- 14 **entity, a motor vehicle repair entity, a motor vehicle**
- 15 **service station, or a public parking operation.**
- 16 (D) **A motor vehicle that is used as a public or private**
- 17 **livery, or a rental conveyance.**



- 1           **(b) This chapter does not require an insurer to make available**
- 2           **uninsured motorist or underinsured motorist coverage described**
- 3           **in section 2 of this chapter in connection with the issuance of:**
- 4           **(1) a commercial liability policy, including a commercial**
- 5           **vehicle policy;**
- 6           **(2) an umbrella or excess liability policy;**
- 7           **(3) a policy that provides hired or nonowned motor vehicle**
- 8           **liability coverage; or**
- 9           **(4) a policy that does not provide primary motor vehicle**
- 10           **liability insurance for liability arising out of the ownership,**
- 11           **maintenance, operation, or use of a specifically insured motor**
- 12           **vehicle.**

13           SECTION 2. IC 27-7-5-2, AS AMENDED BY P.L.233-1999,  
 14           SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15           JULY 1, 2004]: Sec. 2. (a) **Except as provided in section 1.5 of this**  
 16           **chapter,** the insurer shall make available, in each automobile liability  
 17           or motor vehicle liability policy of insurance which is delivered or  
 18           issued for delivery in this state with respect to any motor vehicle  
 19           registered or principally garaged in this state, insuring against loss  
 20           resulting from liability imposed by law for bodily injury or death  
 21           suffered by any person and for injury to or destruction of property to  
 22           others arising from the ownership, maintenance, or use of a motor  
 23           vehicle, ~~or in a supplement to such a policy,~~ the following types of  
 24           coverage:

- 25           (1) in limits for bodily injury or death and for injury to or
- 26           destruction of property not less than those set forth in IC 9-25-4-5
- 27           under policy provisions approved by the commissioner of
- 28           insurance, for the protection of persons insured under the policy
- 29           who are legally entitled to recover damages from owners or
- 30           operators of uninsured or underinsured motor vehicles because of
- 31           bodily injury, sickness or disease, including death, and for the
- 32           protection of persons insured under the policy who are legally
- 33           entitled to recover damages from owners or operators of
- 34           uninsured motor vehicles for injury to or destruction of property
- 35           resulting therefrom; or
- 36           (2) in limits for bodily injury or death not less than those set forth
- 37           in IC 9-25-4-5 under policy provisions approved by the
- 38           commissioner of insurance, for the protection of persons insured
- 39           under the policy provisions who are legally entitled to recover
- 40           damages from owners or operators of uninsured or underinsured
- 41           motor vehicles because of bodily injury, sickness or disease,
- 42           including death resulting therefrom.

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1 The uninsured and underinsured motorist coverages must be provided  
 2 by insurers for either a single premium or for separate premiums, in  
 3 limits at least equal to the limits of liability specified in the bodily  
 4 injury liability provisions of an insured's policy, unless such coverages  
 5 have been rejected in writing by the insured. However, underinsured  
 6 motorist coverage must be made available in limits of not less than fifty  
 7 thousand dollars (\$50,000). At the insurer's option, the bodily injury  
 8 liability provisions of the insured's policy may be required to be equal  
 9 to the insured's underinsured motorist coverage. Insurers may not sell  
 10 or provide underinsured motorist coverage in an amount less than fifty  
 11 thousand dollars (\$50,000). Insurers must make underinsured motorist  
 12 coverage available to all existing policyholders on the date of the first  
 13 renewal of existing policies that occurs on or after January 1, 1995, and  
 14 on any policies newly issued or delivered on or after January 1, 1995.  
 15 Uninsured motorist coverage or underinsured motorist coverage may  
 16 be offered by an insurer in an amount exceeding the limits of liability  
 17 specified in the bodily injury and property damage liability provisions  
 18 of the insured's policy.

19 (b) Any named insured of an automobile or motor vehicle liability  
 20 policy has the right, on behalf of all other named insureds and all other  
 21 insureds, in writing, to:

- 22 (1) reject both the uninsured motorist coverage and the
- 23 underinsured motorist coverage provided for in this section; or
- 24 (2) reject either the uninsured motorist coverage alone or the
- 25 underinsured motorist coverage alone, if the insurer provides the
- 26 coverage not rejected separately from the coverage rejected.

27 No insured may have uninsured motorist property damage liability  
 28 insurance coverage under this section unless the insured also has  
 29 uninsured motorist bodily injury liability insurance coverage under this  
 30 section. Following rejection of either or both uninsured motorist  
 31 coverage or underinsured motorist coverage, unless later requested in  
 32 writing, the insurer need not offer uninsured motorist coverage or  
 33 underinsured motorist coverage in ~~or supplemental to~~ a renewal or  
 34 replacement policy issued to the same insured by the same insurer or  
 35 a subsidiary or an affiliate of the originally issuing insurer. Renewals  
 36 of policies issued or delivered in this state which have undergone  
 37 interim policy endorsement or amendment do not constitute newly  
 38 issued or delivered policies for which the insurer is required to provide  
 39 the coverages described in this section.

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