

LD2004288

HOUSE BILL NO. 2076

Offered January 23, 1995

A BILL to amend and reenact § 38.2-2205 of the Code of Virginia, relating to motor vehicle liability insurance.

Patron—Heilig

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:**1. That § 38.2-2205 of the Code of Virginia is amended and reenacted as follows:**

§ 38.2-2205. Liability insurance on motor vehicles; standard provisions; applicability of other valid and collectible insurance.

A. 1. Each policy or contract of bodily injury or property damage liability insurance which provides insurance to a named insured in connection with the business of selling, leasing, repairing, servicing, storing or parking motor vehicles, against liability arising from the ownership, maintenance, or use of any motor vehicle incident thereto shall contain a provision that the insurance coverage applicable to those motor vehicles shall not be applicable to a person other than the named insured and his employees in the course of their employment if there is any other valid and collectible insurance applicable to the same loss covering the other person under a policy with limits at least equal to the financial responsibility requirements specified in § 46.2-472. Such provision shall apply to motor vehicles which are either for the purpose of demonstrating to the other person as a prospective purchaser, or which are loaned or leased to the other person as a convenience during the repairing or servicing of a motor vehicle for the other person, or leased to the other person for a period of six months or more. This provision shall apply whether such repair or service is performed by the owner of the vehicle being loaned or leased or by some other person or business.

2. If the other valid and collectible insurance has limits less than the financial responsibility requirements specified in § 46.2-472, then the coverage afforded a person other than the named insured and his employees in the course of their employment shall be applicable to the extent necessary to equal the financial responsibility requirements specified in § 46.2-472.

3. If there is no other valid and collectible insurance available, the coverage under such policy afforded a person, other than the named insured and his employees in the course of their employment, shall be applicable, but the amount recoverable in such case shall not exceed the financial responsibility requirements specified in § 46.2-472. If there is no other valid and collectible collision or upset insurance available and if such policy provides insurance to the named insured for collision or upset, it shall include any such other person as an additional insured, unless in the case of a leased vehicle such other person receives a conspicuous written disclosure at the commencement of the lease, warning such person that he is not an additional insured under the owner's policy for collision or upset coverage.

B. 1. Any policy or contract of bodily injury or property damage liability insurance relating to the ownership, maintenance, or use of a motor vehicle shall exclude coverage to persons other than (i) the named insured, or (ii) directors, stockholders, partners, agents, or employees of the named insured, or (iii) residents of the household of either (i) or (ii), while those persons are employed or otherwise engaged in the business of selling, repairing, servicing, storing, or parking motor vehicles if there is any other valid or collectible insurance applicable to the same loss covering the persons under a policy with limits at least equal to the financial responsibility requirements specified in § 46.2-472.

2. If the other valid and collectible insurance has limits less than the financial responsibility requirements specified in § 46.2-472, then the coverage afforded a person other than the named insured while that person is employed or otherwise engaged in the business of selling, repairing, servicing, storing, or parking motor vehicles shall be applicable to the extent necessary to equal the financial responsibility requirements specified in § 46.2-472.

3. If there is no other valid and collectible insurance available, the coverage afforded a person other than the named insured while that person is employed or otherwise engaged in the business of selling, repairing, servicing, storing, or parking motor vehicles shall apply, but the amount recoverable shall not exceed the financial responsibility requirements specified in § 46.2-472.

4. In every case where the trier of fact awards the plaintiff exemplary damages pursuant to § 8.01-44.5, the defendant shall be personally liable to the plaintiff for the exemplary damages awarded, and no self-insurer or insurance company, under any policy of insurance, shall be liable to the plaintiff for the exemplary damages awarded.

INTRODUCED

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