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HOUSE JOINT RESOLUTION NO. 601
AMENDMENT IN THE NATURE OF A SUBSTITUTE(Proposed by the Senate Committee on Rules
on February 17, 1995)

(Patron Prior to Substitute—Delegate Keating)

Establishing a joint subcommittee to study the appropriate minimum levels of motor vehicle liability and property insurance coverage.

WHEREAS, Virginia law requires that motor vehicle insurance policies include coverage to pay an insured all sums he is legally entitled to recover as damages from the owner or operator of an uninsured motor vehicle; and

WHEREAS, concerns have been expressed about the adequacy of the current minimum levels of motor vehicle liability insurance coverage, including such minimum levels for bodily injury and property damage resulting from motor vehicle accidents involving uninsured and underinsured motorists; and

WHEREAS, insurers in Virginia are required to offer medical expense coverage, although such coverage is not required to be purchased; and

WHEREAS, comprehensive coverage provides protection for the insured in the event of damage to his motor vehicle other than by collision, such as for fire or theft; and

WHEREAS, the costs associated with property damage and bodily injury resulting from motor vehicle accidents and other damage to motor vehicles may exceed the required minimum levels of motor vehicle insurance coverage, presenting a financial dilemma for the owner or operator of a motor vehicle; and

WHEREAS, the minimum amount of uninsured motorist coverage prescribed by law for damage or destruction of the property of the insured in any one accident is \$20,000, and a portion of an insured's premium is used to cover such \$20,000 minimum coverage; and

WHEREAS, the current level of required minimum coverage may exceed the amount of coverage many insureds can reasonably expect to need; and

WHEREAS, nevertheless, many of Virginia's insured and underinsured drivers may not need or desire to have a minimum of \$20,000 in property damage and \$25,000/\$50,000 bodily injury coverage; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study the appropriate minimum levels of motor vehicle liability and property insurance coverage. The joint subcommittee shall consist of seven members to be appointed as follows: four members of the House of Delegates to be appointed by the Speaker of the House; and three members of the Senate to be appointed by the Senate Committee on Privileges and Elections. The joint subcommittee is requested to consider (i) whether the required minimum levels of motor vehicle liability and property insurance coverage should be increased or decreased; (ii) whether comprehensive coverage should be required; and (iii) whether exemptions from the required minimum levels of motor vehicle liability and property insurance coverage should be permitted.

The direct costs of this study shall not exceed \$3,150.

The Division of Legislative Services shall provide staff support for the study. Technical assistance shall be provided by the Department of Motor Vehicles and the Bureau of Insurance of the State Corporation Commission. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.