

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 14-20—sSB 280

Insurance and Real Estate Committee

**AN ACT CONCERNING UNINSURED AND UNDERINSURED
MOTORIST COVERAGE OFFSETS**

SUMMARY: This act prohibits insurers from reducing uninsured and underinsured motor vehicle insurance coverage payments by amounts paid by or on behalf of a tortfeasor (i.e., person at fault) for (1) bodily injury to anyone other than a person insured by the policy under which the claim is made or (2) property damage. Thus, the insurer can reduce the coverage payments by amounts a tortfeasor paid for bodily injury to a person insured by the policy. The law, unchanged by the act, already prohibits insurers from reducing such coverage payments by amounts an insured person receives from Social Security disability benefits.

The act applies to auto liability insurance policies issued or renewed on or after October 1, 2015.

EFFECTIVE DATE: October 1, 2015

BACKGROUND

Uninsured and Underinsured Motorist Coverage

Uninsured motorist coverage compensates a policyholder for expenses incurred when another driver who is at fault for an accident has no auto liability insurance or is a hit-and-run driver. Underinsured motorist coverage compensates a policyholder when the at-fault driver has an insufficient amount of auto liability insurance.

Related Act

PA 14-71 prohibits insurers from denying uninsured motorist coverage to a named insured or related household member solely because he or she is struck as a pedestrian by, and during the theft of, a covered vehicle the insured owns.

OLR Tracking: JLK:JM:PF:ro