

SENATE BILL NO. 1195

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Labor and Commerce

on _____)

(Patron Prior to Substitute--Senator Obenshain)

A BILL to amend and reenact §§ 38.2-2202, 38.2-2206, and 46.2-2057 of the Code of Virginia, relating to motor vehicle insurance; underinsured motorist coverage.

Be it enacted by the General Assembly of Virginia:

1. That §§ 38.2-2202, 38.2-2206, and 46.2-2057 of the Code of Virginia are amended and reenacted as follows:

§ 38.2-2202. Required notice of optional coverage available.

A. No new policy for insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle shall be issued or delivered in the Commonwealth unless there is enclosed with the policy, in boldface type, the following statement:

IMPORTANT NOTICE

IN ADDITION TO THE MINIMUM INSURANCE REQUIRED BY LAW, YOU MAY PURCHASE ADDITIONAL INSURANCE COVERAGE FOR THE NAMED INSURED AND FOR HIS RELATIVES WHO ARE MEMBERS OF HIS HOUSEHOLD WHILE IN OR UPON, ENTERING OR ALIGHTING FROM A MOTOR VEHICLE, OR THROUGH BEING STRUCK BY A MOTOR VEHICLE WHILE NOT OCCUPYING A MOTOR VEHICLE, AND FOR OCCUPANTS OF THE INSURED MOTOR VEHICLE. THE FOLLOWING HEALTH CARE AND DISABILITY BENEFITS ARE AVAILABLE FOR EACH ACCIDENT:

- 1. PAYMENT OF UP TO \$2,000 PER PERSON FOR ALL REASONABLE AND NECESSARY EXPENSES FOR MEDICAL, CHIROPRACTIC, HOSPITAL, DENTAL, SURGICAL, PROSTHETIC AND REHABILITATION SERVICES, SERVICES PROVIDED BY AN EMERGENCY MEDICAL SERVICES VEHICLE AS DEFINED IN § 32.1-111.1, AND FUNERAL EXPENSES RESULTING

27 FROM THE ACCIDENT AND INCURRED WITHIN THREE YEARS AFTER THE DATE OF THE
28 ACCIDENT. HOWEVER, IF YOU DO NOT PURCHASE THE \$2,000 LIMIT OF COVERAGE, YOU
29 AND THE COMPANY MAY AGREE TO ANY OTHER LIMIT; AND

30 2. AN AMOUNT EQUAL TO THE LOSS OF INCOME UP TO \$100 PER WEEK IF THE
31 INJURED PERSON IS ENGAGED IN AN OCCUPATION FOR WHICH HE RECEIVES
32 COMPENSATION, FROM THE FIRST WORKDAY LOST AS A RESULT OF THE ACCIDENT UP
33 TO THE DATE THE PERSON IS ABLE TO RETURN TO HIS USUAL OCCUPATION. SUCH
34 PAYMENTS ARE LIMITED TO A PERIOD EXTENDING ONE YEAR FROM THE DATE OF THE
35 ACCIDENT.

36 IF YOU DESIRE TO PURCHASE EITHER OR BOTH OF THESE COVERAGES AT AN
37 ADDITIONAL PREMIUM, YOU MAY DO SO BY CONTACTING THE AGENT OR COMPANY
38 THAT ISSUED YOUR POLICY.

39 The insurer issuing the policy shall inform the insured by any reasonable means of communication
40 of the approximate premium for the additional coverage.

41 B. No new policy of insurance covering liability arising out of the ownership, maintenance, or use
42 of any motor vehicle shall be issued or delivered in the Commonwealth unless the following statement,
43 printed in boldface type, is enclosed with the policy:

44 **IMPORTANT NOTICE**

45 YOU ARE ENTITLED TO PURCHASE UNINSURED/UNDERINSURED COVERAGE
46 LIMITS EQUAL TO THE LIABILITY LIMITS ON YOUR MOTOR VEHICLE POLICY. HOWEVER,
47 ANY ONE NAMED INSURED HAS THE RIGHT TO REDUCE THE LIMITS OF THE
48 UNINSURED/UNDERINSURED MOTORIST COVERAGE TO LESS THAN THE LIABILITY
49 LIMITS ON THE POLICY BUT NO LOWER THAN THE FINANCIAL RESPONSIBILITY LIMITS
50 REQUIRED BY § 46.2-472 OF THE CODE OF VIRGINIA. THE INSURER MAY REQUIRE THAT A
51 REQUEST TO REDUCE COVERAGE BE IN WRITING. ONCE ANY ONE NAMED INSURED
52 REDUCES THE POLICY LIMITS FOR UNINSURED/UNDERINSURED MOTORIST COVERAGE
53 BELOW THE POLICY'S LIABILITY LIMITS, THAT ELECTION IS BINDING ON ALL INSUREDS

54 ON THE POLICY. LATER, IF YOU DESIRE TO INCREASE YOUR LIMITS, YOU MUST MAKE A
55 SPECIFIC REQUEST TO YOUR INSURER. YOU MAY WANT TO PUT THIS REQUEST IN
56 WRITING.

57 BEFORE REDUCING THE LIMITS OF THE UNINSURED/UNDERINSURED MOTORIST
58 COVERAGE, YOU SHOULD CAREFULLY CONSIDER THAT THIS COVERAGE PROVIDES
59 IMPORTANT PROTECTION IN THE EVENT YOU ARE INJURED OR YOUR MOTOR VEHICLE
60 IS DAMAGED DUE TO THE ACTIONS OF AN UNINSURED/UNDERINSURED MOTORIST.

61 C. No policy of insurance covering liability arising out of the ownership, maintenance, or use of
62 any motor vehicle shall be issued, delivered, or renewed after July 1, 2022, in the Commonwealth unless
63 the following statement, printed in boldface type, is enclosed with the policy:

64 IMPORTANT NOTICE

65 PREVIOUSLY, YOUR UNDERINSURED MOTORIST COVERAGE PAID DAMAGES DUE
66 TO AN INSURED AFTER ANY CREDIT OF THE BODILY INJURY OR PROPERTY DAMAGE
67 LIABILITY COVERAGE APPLICABLE TO THE INSURED'S DAMAGES HAD BEEN APPLIED.

68 THE LAW HAS BEEN AMENDED TO REQUIRE INSURERS TO PROVIDE
69 UNDERINSURED MOTORIST COVERAGE THAT PAYS ANY DAMAGES DUE TO AN INSURED
70 IN ADDITION TO ANY BODILY INJURY OR PROPERTY DAMAGE LIABILITY THAT IS
71 APPLICABLE TO THE INSURED'S DAMAGES. THIS CHANGE MAY AFFECT YOUR PREMIUM.

72 YOU MAY ELECT TO REFUSE THIS CHANGE IN YOUR UNDERINSURED MOTORIST
73 COVERAGE.

74 AN ELECTION TO DECREASE YOUR UNDERINSURED MOTORIST COVERAGE MUST
75 BE IN WRITING. ONCE ANY ONE NAMED INSURED ELECTS TO DECREASE THE
76 UNDERINSURED MOTORIST COVERAGE, THAT ELECTION IS BINDING ON ALL INSURED
77 ON THE POLICY. LATER, IF YOU DESIRE TO PURCHASE INCREASED UNDERINSURED
78 MOTORIST COVERAGE, YOU MUST MAKE A SPECIFIC REQUEST TO YOUR INSURER. YOU
79 MUST PUT THIS REQUEST IN WRITING.

80 BEFORE ELECTING TO DECREASE YOUR UNDERINSURED MOTORIST COVERAGE,
81 YOU SHOULD CAREFULLY CONSIDER THAT THIS COVERAGE PROVIDES IMPORTANT
82 PROTECTION IN THE EVENT YOU ARE INJURED OR YOUR MOTOR VEHICLE IS DAMAGED
83 DUE TO THE ACTIONS OF AN UNDERINSURED MOTORIST.

84 **§ 38.2-2206. Uninsured motorist insurance coverage.**

85 A. Except as provided in subsection J, no policy or contract of bodily injury or property damage
86 liability insurance relating to the ownership, maintenance, or use of a motor vehicle shall be issued or
87 delivered in this Commonwealth to the owner of such vehicle or shall be issued or delivered by any insurer
88 licensed in this Commonwealth upon any motor vehicle principally garaged or used in this
89 Commonwealth unless it contains an endorsement or provisions undertaking to pay the insured all sums
90 that he is legally entitled to recover as damages from the owner or operator of an uninsured motor vehicle,
91 within limits not less than the requirements of § 46.2-472. Those limits shall equal but not exceed the
92 limits of the liability insurance provided by the policy, unless any one named insured rejects the additional
93 uninsured motorist insurance coverage by notifying the insurer as provided in subsection B of § 38.2-
94 2202. This rejection of the additional uninsured motorist insurance coverage by any one named insured
95 shall be binding upon all insureds under such policy ~~as defined in subsection B.~~ The endorsement or
96 provisions shall also obligate the insurer to make payment for bodily injury or property damage caused by
97 the operation or use of an underinsured motor vehicle to the extent the vehicle is underinsured, ~~as defined~~
98 ~~in subsection B.~~

99 The endorsement shall provide that underinsured motorist coverage shall be paid without any
100 credit for the bodily injury and property damage coverage available for payment, unless any one named
101 insured signs an election to reduce any underinsured motorist coverage payments by the bodily injury
102 liability or property damage liability coverage available for payment by notifying the insurer as provided
103 in subsection C of § 38.2-2202. This election by any one named insured shall be binding upon all insureds
104 under such policy.

105 The endorsement or provisions shall also provide for at least \$20,000 coverage for damage or
106 destruction of the property of the insured in any one accident but may provide an exclusion of the first

107 \$200 of the loss or damage where the loss or damage is a result of any one accident involving an
108 unidentifiable owner or operator of an uninsured motor vehicle.

109 B. 1. As used in this section:

110 "Bodily injury" includes death resulting from bodily injury.

111 "Insured" as used in subsections A, D, G, and H, means the named insured and, while resident of
112 the same household, the spouse of the named insured, and relatives, wards or foster children of either,
113 while in a motor vehicle or otherwise, and any person who uses the motor vehicle to which the policy
114 applies, with the expressed or implied consent of the named insured, and a guest in the motor vehicle to
115 which the policy applies or the personal representative of any of the above.

116 "Uninsured motor vehicle" means a motor vehicle for which (i) there is no bodily injury liability
117 insurance and property damage liability insurance in the amounts specified by § 46.2-472, (ii) there is
118 such insurance but the insurer writing the insurance denies coverage for any reason whatsoever, including
119 failure or refusal of the insured to cooperate with the insurer, (iii) there is no bond or deposit of money or
120 securities in lieu of such insurance, (iv) the owner of the motor vehicle has not qualified as a self-insurer
121 under the provisions of § 46.2-368, or (v) the owner or operator of the motor vehicle is immune from
122 liability for negligence under the laws of the Commonwealth or the United States, in which case the
123 provisions of subsection F shall apply and the action shall continue against the insurer. A motor vehicle
124 shall be deemed uninsured if its owner or operator is unknown.

125 A motor vehicle is "underinsured" when, and to the extent that, the total amount of bodily injury
126 and property damage coverage applicable to the operation or use of the motor vehicle and available for
127 payment for such bodily injury or property damage, including all bonds or deposits of money or securities
128 made pursuant to Article 15 (§ 46.2-435 et seq.) of Chapter 3 of Title 46.2, is less than the total amount
129 of ~~uninsured motorist coverage afforded~~ damages sustained up to the total amount of underinsured
130 motorist coverage afforded any person injured as a result of the operation or use of the vehicle.

131 "Available for payment" means the amount of liability insurance coverage applicable to the claim
132 of the injured person for bodily injury or property damage reduced by the payment of any other claims
133 arising out of the same occurrence.

134 2. If an injured person is entitled to uninsured or underinsured motorist coverage under more than
135 one policy, the ~~following order of priority of policies applies and any amount available for payment~~
136 insurers shall be credited against such policies obligated to the injured person in the following order of
137 priority of payment:

138 ~~1-a.~~ The policy covering a motor vehicle occupied by the injured person at the time of the accident;

139 ~~2-b.~~ The policy covering a motor vehicle not involved in the accident under which the injured
140 person is a named insured;

141 ~~3-c.~~ The policy covering a motor vehicle not involved in the accident under which the injured
142 person is an insured other than a named insured.

143 Where there is more than one insurer providing coverage under one of the payment priorities set
144 forth, their liability shall be proportioned as to their respective available uninsured or underinsured
145 motorist coverages.

146 3. If an injured person is entitled to underinsured motorist coverage under more than one policy
147 where at least one policy includes an election to reduce the underinsured motorist coverage by the bodily
148 injury or property damage liability coverage available for payment, any amount available for payment
149 shall be credited against such policies in the order of payments provided in subdivision 2. Any policy in
150 which this election is made shall be entitled to a credit to the extent that the total bodily injury or property
151 damage liability coverage available for payment exceeds the total amount of underinsured motorist
152 coverage available from policies that come higher in priority of payment. In calculating the available credit
153 for each policy, the amount of underinsured motorist coverage available from all policies higher in priority
154 shall be added together and subtracted from the liability coverage available for payment regardless of
155 whether the policies higher in priority are entitled to a credit. Where there is more than one underinsured
156 motorist policy at a single level of priority, any credit shall be proportioned as to their respective available
157 underinsured motorist coverages and only policies in which the election is made shall be entitled to apply
158 the credit.

159 4. Recovery under the endorsement or provisions shall be subject to the conditions set forth in this
160 section.

161 C. There shall be a rebuttable presumption that a motor vehicle is uninsured if the Commissioner
162 of the Department of Motor Vehicles certifies that, from the records of the Department of Motor Vehicles,
163 it appears that (i) there is no bodily injury liability insurance and property damage liability insurance in
164 the amounts specified by § 46.2-472 covering the owner or operator of the motor vehicle; (ii) no bond has
165 been given or cash or securities delivered in lieu of the insurance; or (iii) the owner or operator of the
166 motor vehicle has not qualified as a self-insurer in accordance with the provisions of § 46.2-368.

167 D. If the owner or operator of any motor vehicle that causes bodily injury or property damage to
168 the insured is unknown, and if the damage or injury results from an accident where there has been no
169 contact between that motor vehicle and the motor vehicle occupied by the insured, or where there has been
170 no contact with the person of the insured if the insured was not occupying a motor vehicle, then for the
171 insured to recover under the endorsement required by subsection A, the accident shall be reported
172 promptly to either (i) the insurer or (ii) a law-enforcement officer having jurisdiction in the county or city
173 in which the accident occurred. If it is not reasonably practicable to make the report promptly, the report
174 shall be made as soon as reasonably practicable under the circumstances.

175 E. If the owner or operator of any vehicle causing injury or damages is unknown, an action may
176 be instituted against the unknown defendant as "John Doe" and service of process may be made by
177 delivering a copy of the motion for judgment or other pleadings to the clerk of the court in which the
178 action is brought. Service upon the insurer issuing the policy shall be made as prescribed by law as though
179 the insurer were a party defendant. The provisions of § 8.01-288 shall not be applicable to the service of
180 process required in this subsection. The insurer shall have the right to file pleadings and take other action
181 allowable by law in the name of John Doe.

182 F. If any action is instituted against the owner or operator of an uninsured or underinsured motor
183 vehicle by any insured intending to rely on the uninsured or underinsured coverage provision or
184 endorsement of this policy under which the insured is making a claim, then the insured shall serve a copy
185 of the process upon this insurer in the manner prescribed by law, as though the insurer were a party
186 defendant. The provisions of § 8.01-288 shall not be applicable to the service of process required in this
187 subsection. The insurer shall then have the right to file pleadings and take other action allowable by law

188 in the name of the owner or operator of the uninsured or underinsured motor vehicle or in its own name.
189 Notwithstanding the provisions of subsection A, the immunity from liability for negligence of the owner
190 or operator of a motor vehicle shall not be a bar to the insured obtaining a judgment enforceable against
191 the insurer for the negligence of the immune owner or operator, and shall not be a defense available to the
192 insurer to the action brought by the insured, which shall proceed against the named defendant although
193 any judgment obtained against an immune defendant shall be entered in the name of "Immune Defendant"
194 and shall be enforceable against the insurer and any other nonimmune defendant as though it were entered
195 in the actual name of the named immune defendant. Nothing in this subsection shall prevent the owner or
196 operator of the uninsured motor vehicle from employing counsel of his own choice and taking any action
197 in his own interest in connection with the proceeding.

198 G. Any insurer paying a claim under the endorsement or provisions required by subsection A shall
199 be subrogated to the rights of the insured to whom the claim was paid against the person causing the injury,
200 death, or damage and that person's insurer, although it may deny coverage for any reason, to the extent
201 that payment was made. The bringing of an action against the unknown owner or operator as John Doe or
202 the conclusion of such an action shall not bar the insured from bringing an action against the owner or
203 operator proceeded against as John Doe, or against the owner's or operator's insurer denying coverage for
204 any reason, if the identity of the owner or operator who caused the injury or damages becomes known.
205 The bringing of an action against an unknown owner or operator as John Doe shall toll the statute of
206 limitations for purposes of bringing an action against the owner or operator who caused the injury or
207 damages until his identity becomes known. In no event shall an action be brought against an owner or
208 operator who caused the injury or damages, previously filed against as John Doe, more than three years
209 from the commencement of the action against the unknown owner or operator as John Doe in a court of
210 competent jurisdiction. Any recovery against the owner or operator, or the insurer of the owner or operator
211 shall be paid to the insurer of the injured party to the extent that the insurer paid the named insured in the
212 action brought against the owner or operator as John Doe. However, the insurer shall pay its proportionate
213 part of all reasonable costs and expenses incurred in connection with the action, including reasonable
214 attorney's fees. Nothing in an endorsement or provisions made under this subsection nor any other

215 provision of law shall prevent the joining in an action against John Doe of the owner or operator of the
216 motor vehicle causing the injury as a party defendant, and the joinder is hereby specifically authorized.
217 No action, verdict or release arising out of a suit brought under this subsection shall give rise to any
218 defenses in any other action brought in the subrogated party's name, including res judicata and collateral
219 estoppel.

220 H. No endorsement or provisions providing the coverage required by subsection A shall require
221 arbitration of any claim arising under the endorsement or provisions, nor may anything be required of the
222 insured except the establishment of legal liability, nor shall the insured be restricted or prevented in any
223 manner from employing legal counsel or instituting legal proceedings.

224 I. Except as provided in § 65.2-309.1, the provisions of subsections A and B of § 38.2-2204 and
225 the provisions of subsection A shall not apply to any policy of insurance to the extent that it covers the
226 liability of an employer under any workers' compensation law, or to the extent that it covers liability to
227 which the Federal Tort Claims Act applies. No provision or application of this section shall limit the
228 liability of an insurer of motor vehicles to an employee or other insured under this section who is injured
229 by an uninsured motor vehicle; provided that in the event an employee of a self-insured employer receives
230 a workers' compensation award for injuries resulting from an accident with an uninsured motor vehicle,
231 such award shall be set off against any judgment for damages awarded pursuant to this section for personal
232 injuries resulting from such accident.

233 J. Policies of insurance whose primary purpose is to provide coverage in excess of other valid and
234 collectible insurance or qualified self-insurance may include uninsured motorist coverage as provided in
235 subsection A. Insurers issuing or providing liability policies that are of an excess or umbrella type or which
236 provide liability coverage incidental to a policy and not related to a specifically insured motor vehicle,
237 shall not be required to offer, provide or make available to those policies uninsured or underinsured motor
238 vehicle coverage as defined in subsection A.

239 K. An injured person, or in the case of death or disability his personal representative, may settle a
240 claim with (i) a liability insurer, including any insurer providing liability coverage through an excess or
241 umbrella insurance policy or contract and (ii) the liability insurer's insured for the available limits of the

242 liability insurer's coverage. Upon settlement with the liability insurer, the injured party or personal
243 representative shall proceed to execute a full release in favor of the underinsured motorist's liability insurer
244 and its insured and finalize the proposed settlement without prejudice to any underinsured motorist
245 benefits or claim. Any such release that states that it is being executed pursuant to or consistent with this
246 subsection shall not operate to release any parties other than the liability insurer and underinsured motorist,
247 regardless of the identities of the released parties set forth in the release, and any terms contained in the
248 release that are inconsistent with, or in violation of, this section are null and void. Upon payment of the
249 liability insurer's available limits to the injured person or personal representative or his attorney, the
250 liability insurer shall thereafter have no further duties to its insured, including the duty to defend its insured
251 if an action has been or is brought against the liability insurer's insured, and the insurer providing
252 applicable underinsured motorist coverage shall have no right of subrogation or claim against the
253 underinsured motorist. However, if the underinsured motorist unreasonably fails to cooperate with the
254 underinsured motorist benefits insurer in the defense of any lawsuit brought by the injured person or his
255 personal representative, he may again be subjected to a claim for subrogation by the underinsured motorist
256 benefits insurer pursuant to § 8.01-66.1:1. Nothing in this section or § 8.01-66.1:1 shall create any duty
257 on the part of any underinsured motorist benefits insurer to defend any underinsured motorist. No attorney-
258 client relationship is created between the underinsured motorist and counsel for the underinsured motorist
259 benefits insurer without the express intent and agreement of the underinsured motorist, the underinsured
260 motorist benefits insurer, and counsel for the underinsured motorist benefits insurer. This section provides
261 an alternative means by which the parties may resolve claims and does not eliminate or restrict any other
262 available means.

263 L. Any settlement between the injured person or his personal representative, any insurer providing
264 liability coverage applicable to the claim, and the underinsured motorist described in subsection K shall
265 be in writing, signed by both the injured person or his personal representative and the underinsured
266 motorist, and shall include the following notice to the underinsured motorist, which must be initialed by
267 the underinsured motorist:

268 "NOTICE TO RELEASED PARTY: Your insurance company has agreed to pay the available
269 limits of its insurance to settle certain claims on your behalf. This settlement secures a full release of you
270 for all claims the claimant/plaintiff has against you arising out of the subject accident, as well as ensures
271 that no judgment can ever be entered against you by the claimant/plaintiff. In order to protect yourself
272 from subrogation by any underinsured motorist insurer, you are agreeing to cooperate with the
273 underinsured motorist benefits insurer(s). The underinsured motorist benefits insurer is not your insurer
274 and has no duty to defend you.

275 Under this manner of settlement, the underinsured motorist benefits insurer(s) that is/are involved
276 in this case has/have no right of subrogation against you unless you fail to reasonably cooperate in its/their
277 defense of the claim by not (i) attending your deposition and trial, if subpoenaed, (ii) assisting in
278 responding to discovery, (iii) meeting with defense counsel at reasonable times after commencement of
279 this suit and before your testimony at a deposition and/or trial, and (iv) notifying the underinsured motorist
280 benefits insurer or its defense counsel of any change in your address, provided that the underinsured
281 motorist benefits insurer or its defense counsel has notified you of its existence and provided you with
282 their contact information.

283 Upon payment of the agreed settlement amount by your insurance company(ies), such company
284 shall no longer owe you any duties, including the duty to hire and pay for an attorney for you. You are not
285 required to consent to settlement in this manner. If you do not consent to settlement in this manner, your
286 insurance company will still defend you in any lawsuit brought against you by the claimant/plaintiff, but
287 you will not have the protections of a full release from the claimant/plaintiff, judgment could be entered
288 against you and may exceed your available insurance coverage, and any underinsured motorist benefits
289 insurer would have a right of subrogation against you to recover any moneys it pays to the
290 claimant/plaintiff.

291 You are encouraged to discuss your rights and obligations related to settlement in this manner with
292 your insurance company and/or an attorney. By signing this document, you agree to consent to this
293 settlement and to reasonably cooperate with the underinsured motorist benefits insurer in the defense of
294 any lawsuit brought by the claimant/plaintiff.

295 _____ (initial)"

296 In the alternative to having the underinsured motorist sign the release and initial the notice, the
297 liability insurer may send the notice and release to the underinsured motorist by certified mail return
298 receipt requested to his last known address, which will be deemed to have satisfied the requirements of
299 this subsection.

300 M. Any action brought by the injured person or his personal representative to recover underinsured
301 motorist benefits after payment of the liability insurer's available limits pursuant to subsection K shall be
302 brought against the released defendant, and a copy of the complaint shall be served on any insurer
303 providing underinsured motorist benefits. If an action is pending at the time the liability insurer's available
304 limits are paid to the injured person or personal representative or his attorney, then the action shall remain
305 pending against the named defendant or defendants who have been released. If such action results in a
306 verdict in favor of the injured person or his personal representative against a released defendant, then
307 judgment as to that defendant shall be entered in the name of "Released Defendant" and shall be
308 enforceable against the underinsured motorist benefits insurer, not to exceed the underinsured motorist
309 benefits limits, and against any unreleased defendant, as though it were entered in the actual name of the
310 released defendant.

311 N. Any proposed settlement between a liability insurer and a person under a disability or a personal
312 representative as permitted in subsection K that compromises in part a claim for personal injuries by the
313 person under a disability or for death by wrongful act pursuant to § 8.01-50 may be, but is not required to
314 be, approved pursuant to § 8.01-424 or 8.01-55, as applicable. If the personal representative elects not to
315 have the settlement with the liability insurer approved pursuant to § 8.01-55, then any payment made to
316 the personal representative by the liability insurer shall be made payable to the personal representative's
317 attorney, to be held in trust, or paid into the court pursuant to § 8.01-600 if the personal representative is
318 not represented by an attorney, with no disbursements made therefrom until the compromise is approved
319 by the court pursuant to § 8.01-55. Approval by the court of a settlement between the liability insurer and
320 a person under a disability or the personal representative pursuant to this subsection shall not prejudice
321 the person's or personal representative's claim for underinsured motorist benefits.

322 § 46.2-2057. Taxicab insurance required.

323 A. Each operator of a motor vehicle performing a bona fide taxicab service shall file insurance as
324 required under this article unless evidence can be shown to the Department that the operator (i) is a self-
325 insurer under an ordinance of the city or county where the home office of the operator is located or (ii)
326 has been issued a certificate of self-insurance pursuant to § 46.2-368.

327 B. Notwithstanding § 38.2-2206 or any other provision of this title, any self-insurance protection
328 subject to this section shall provide for protection against the uninsured motorist to the extent set forth
329 herein and shall provide for protection against the underinsured motorist to the extent that the total amount
330 of bodily injury and property damage coverage applicable to such underinsured motorist and available for
331 payment within the meaning of § 38.2-2206, including all bonds or deposits of money or securities made
332 pursuant to Article 15 (§ 46.2-435 et seq.) of Chapter 3, is less than the total amount of uninsured motorist
333 coverage. Protection against the uninsured or underinsured motorist shall be subject to a limit exclusive
334 of interest and costs, with respect to each motor vehicle, as follows: (i) a limit of \$25,000 due to bodily
335 injury or death of one person in any one accident; (ii) subject to the limit for one person, a limit of \$50,000
336 due to bodily injury or death of two or more persons in any one accident; and (iii) a limit of \$20,000 due
337 to injury to or destruction of property of another in any one accident. Nothing herein shall preclude any
338 self-insurer operator from purchasing or providing uninsured or underinsured motorist insurance coverage
339 in an amount greater than required by this subsection. Such protection against uninsured and underinsured
340 motorists shall be secondary coverage to any other valid and collectible insurance providing the same
341 protection that is available to any person otherwise entitled to assert a claim to such protection pursuant
342 to this section.

343 2. That the provisions of this act shall apply to new and renewal policies effective on or after July 1,
344 2022.

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