

1 AN ACT relating to uninsured motorist coverage.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 304.20-020 is amended to read as follows:

- 4 (1) **Unless rejected as provided in subsection (2) of this section, every**~~No~~ automobile
 5 liability or motor vehicle liability policy of insurance insuring against loss resulting
 6 from liability imposed by law for **damages**~~bodily injury or death~~ suffered by any
 7 person arising out of the ownership, maintenance, or use of a motor vehicle **that is**
 8 **issued or renewed on or after the effective date of this Act**~~shall be delivered or~~
 9 ~~issued for delivery in this state~~ with respect to any motor vehicle registered or
 10 principally garaged in this state **shall provide**~~unless~~ coverage ~~is provided therein~~
 11 ~~or supplemental thereto~~, **under provisions approved by the commissioner and** in
 12 limits for bodily injury or death **and property damage that are not less than the**
 13 **requirements** set forth in KRS 304.39-110 ~~under provisions approved by the~~
 14 ~~commissioner~~, for the protection of **insureds**~~persons insured thereunder~~ who are
 15 legally entitled to recover damages from owners or operators of uninsured motor
 16 vehicles because of bodily injury, sickness, or disease, including death, **or property**
 17 **damage arising out of the ownership, maintenance, or use of the uninsured**
 18 **motor vehicles.**~~resulting therefrom; provided that~~
- 19 **(2) (a)** Any named insured shall have the right to reject, in writing, **the**~~such~~
 20 coverage **required under this section.**~~; and provided further that~~
- 21 **(b)** The rejection shall be valid for all insureds under the policy, and unless a
 22 named insured **later** requests such coverage in writing, **the**~~such~~ coverage
 23 need not be provided in or supplemental to a renewal, reinstatement,
 24 substitute, replacement, or amended policy issued to the same named insured
 25 by the same insurer or any of its affiliates or subsidiaries.
- 26 **(3)**~~(2)~~ For the purpose of this coverage, the term "uninsured motor vehicle" shall,
 27 subject to the terms and conditions of **that**~~such~~ coverage, be deemed to include:

1 (a) An insured motor vehicle where the liability insurer thereof is unable to make
2 payment with respect to the legal liability of its insured within the limits
3 specified therein because of insolvency;

4 (b) An insured motor vehicle with respect to which the amounts provided, under
5 the ~~the bodily injury~~ liability bond or insurance policy applicable at the time of
6 the accident with respect to any person or organization legally responsible for
7 the use of such motor vehicle, are less than the limits described in KRS
8 304.39-110; and

9 (c) An insured motor vehicle to the extent that the amounts provided in the
10 liability coverage applicable at the time of the accident is denied by the insurer
11 writing the same.

12 (4)~~(3)~~ Protection against an insurer's insolvency shall be applicable only to accidents
13 occurring during a policy period in which its insured's uninsured motorist coverage
14 is in effect where the liability insurer of the tortfeasor becomes insolvent within one
15 (1) year after such an accident. Nothing in this section~~herein contained~~ shall be
16 construed to prevent any insurer from affording insolvency protection under terms
17 and conditions more favorable to its insureds than is provided in this
18 section~~hereunder~~.

19 (5)~~(4)~~ In the event of payment to any person under the coverage required by this
20 section and subject to the terms and conditions of that~~such~~ coverage, the insurer
21 making the~~such~~ payment shall, to the extent thereof, be entitled to the proceeds of
22 any settlement or judgment resulting from the exercise of any rights of recovery of
23 the~~such~~ person receiving payment against any person or organization legally
24 responsible for the damages~~bodily injury~~ for which such payment is made,
25 including the proceeds recoverable from the assets of the insolvent insurer.

26 ➔Section 2. This Act takes effect on January 1, 2021.