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**Financial Institutions &  
Insurance Committee**

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**HB 2987**

**Brief Description:** Offering motorcycle or motor-driven cycle insurance.

**Sponsors:** Representatives Roach, Simpson, G., Dunshee, Murray, Anderson, Hatfield, Cairnes, Delvin, Buck and Woods.

**Brief Summary of Bill**

- Requires insurers to inform prospective insureds about the availability of underinsured motor vehicle coverage for motorcycles or motor-drive cycles if the insurer writes that type of coverage.
- Requires insurers writing underinsured motor vehicle coverage for motorcycles or motor-drive cycles to provide an opportunity for the insured to reject the coverage in writing.

**Hearing Date:** 2/4/04

**Staff:** Caroleen Dineen (786-7156).

**Background:**

Automobile insurance must include coverage for damages resulting from underinsured motor vehicles. An insurer must provide protection for insureds who are legally entitled to recover damages for bodily injury, death, or property damage from owners or operators of underinsured motor vehicles, hit-and-run motor vehicles, and phantom vehicles. This coverage requirement does not apply to insureds operating a motorcycle or motor-driven cycle. The coverage requirement also does not apply to general liability policies or other policies acting as excess to the insurance directly applicable to the vehicle insured.

An insured may reject underinsured coverage for bodily injury, death, or property damage. The insured's rejection must be in writing. The rejection requirement applies only to original issuance of policies and not to renewal or replacement policies.

**Summary of Bill:**

An insurer who elects to write motorcycle or motor-driven cycle insurance must provide information to prospective insureds about underinsured motor vehicle coverage. The insurer also must provide an opportunity for prospective insureds to reject the coverage in writing.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.