

## STATEMENT OF PURPOSE

### RS25225

This bill eliminates the problem of phantom insurance and reduced payments for benefits paid by others. It provides that when a citizen purchases motor vehicle underinsurance coverage, the purchaser receives the stated benefit provided on the declarations page. This prevents an insurance company that receives a premium for underinsured coverage from taking credit for benefits paid by other insurance companies. It further limits the benefits recoverable to the purchaser's actual losses or the amount of coverage purchased, whichever is less.

### FISCAL NOTE

There is no fiscal impact to the General Fund as this applies to insurance companies who provide motor vehicle insurance policies. Some motor vehicle insurance companies already voluntarily provide this type of coverage and their premium rates are competitive with companies who do not adhere to this policy currently.

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).