



SPONSOR: Rep. Keeley & Sen. Blevins

HOUSE OF REPRESENTATIVES
145th GENERAL ASSEMBLY

HOUSE SUBSTITUTE NO. 1
FOR
HOUSE BILL NO. 255

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO INSURANCE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend §3902(b)(2), Title 18 of the Delaware Code by deleting the language “total less than the limits
2 provided by the uninsured motorist coverage” as it appears therein and substituting in lieu thereof the language “are less
3 than the damages sustained by the insured”.

4 Section 2. Amend §3902(c), Title 18 of the Delaware Code by inserting in the second sentence, after the language
5 “residing in the same household are insured” and before the language “by the same insurer” the language “under one
6 policy”.

SYNOPSIS

The purpose of Section 1 of this amendment is to allow innocent victims of motor vehicle collisions to access their own underinsured insurance benefits in circumstances where the victim’s damages are greater than the amount of the negligent driver’s insurance policy limits. Delaware courts have ruled that if the innocent victim and the negligent driver have the same policy limit or the victim’s policy limits are less than the negligent driver’s, then the negligent driver is not considered “underinsured” even if the negligent driver’s policy limit is inadequate to compensate the innocent victim. This amendment will rectify these inequities. *Nationwide Mut. Ins. Co. v. Williams*, Del. Supr., 695 A.2d 1124 (1997).

The purpose of Section 2 of this amendment is to clarify that multiple vehicles on one policy cannot expand the coverage to more than that policy limit.