

HB 339 -- LIMITATION ON CAUSE OF ACTION FOR UNINSURED MOTORISTS

SPONSOR: Wieland

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Insurance Policy by a vote of 6 to 2.

This bill prohibits an uninsured driver who is the owner of the vehicle or a driver operating a vehicle with or without permission who is uninsured from collecting for noneconomic damages in a civil action against an insured motorist alleged to be at fault for an accident. The provisions must not apply to an uninsured driver who has lost his or her insurance coverage for failure to pay unless the notification of termination or nonrenewal was provided at least six months prior to the accident. Reductions in damage awards based on the provisions of the bill will not be disclosed to the trier of fact.

The limitation does not apply to passengers in an uninsured driver's vehicle and does not limit the recovery of benefits provided or economic losses. Recovery of noneconomic damages in instances where an insured driver who is at fault because of operating a vehicle while under the influence of drugs or alcohol or who is convicted of involuntary manslaughter or second degree assault will be allowed.

PROPONENTS: Supporters say that the bill will encourage the purchase of insurance. Currently, approximately 22% of Missouri drivers are uninsured. The bill only limits damages for pain and suffering, which were not traditional categories of relief under the common law. The cost of paying for damages may be passed on to lawful customers who do purchase insurance.

Testifying for the bill were Representative Gosen; State Farm Insurance Companies; Missouri Insurance Coalition; American Insurance Association; and Farmers Group Inc.

OPPONENTS: Opponents of the bill say that the issue of negligence and fault in accident cases is completely unrelated to the regulatory offense of failing to purchase insurance. Damages for pain and suffering often involve serious harm, such as severe disfigurement, to individuals who have no idea if they are properly insured. The bill is not likely to encourage the purchase of insurance.

Testifying against the bill was Missouri Association of Trial Attorneys.