

# VIRGINIA

## NEW LAWS AFFECT INSURANCE INDUSTRY



**S** B 1108 – Raises Jurisdictional Limits In General District Court  
SB 1182 – Raises Motor vehicle Liability Insurance Coverage Limits

SB 1108 has passed and will become law in Virginia on July 1, 2021. This new law increases from \$25,000 to \$50,000 the maximum civil jurisdictional limit of general district courts for civil actions for personal injury and wrongful death actions only. Note that \$25,000 remains the jurisdictional limit for all other claims such as those involving property damage or breach of contract.

It also now requires an appeal bond from a defendant who wishes to appeal a decision from general district court to circuit court by stating, “in a case where a defendant with indemnity coverage through a policy of liability insurance appeals, the bond required by this section shall not exceed the amount of the judgment that is covered by a policy of indemnity coverage.” Previously, if an insured defendant wanted to appeal a general district court decision to circuit court, an appeal bond was not required. Instead, all that was required was a “written irrevocable confirmation of coverage in the amount of the judgment.”

As a result of this new law, we will surely see more claims filed in general district court as opposed to circuit court. There is little to no discovery in general district court, so plaintiffs have an incentive to file in general district court rather than circuit court in order to save costs. In addition, there is no jury in general district court. We should also expect to see a flurry of motions to increase the amount of the claim while pending in general district court; and there will also be more motions to transfer cases from circuit court to general district court.

SB 1108 amends and reenacts §§8.01-195.4, 16.1-77, and 16.1-107 of the Code of Virginia. The full text of this new law can be found at <https://lis.virginia.gov/cgi-bin/legp604.exe?212+ful+CHAP0199>.

SB 1182 also passed. This new law increases the motor vehicle liability insurance coverage amounts from \$25,000 to \$30,000 in

cases of bodily injury to or death of one person and from \$50,000 to \$60,000 in cases of bodily injury to or death of two or more persons from any one accident. However it does not take effect until January 1, 2022, as it applies only to policies effective between January 1, 2022, and January 1, 2025.

For policies effective after January 1, 2025, motor vehicle liability insurance coverage amounts will become \$50,000 in cases of bodily injury to or death of one person, \$100,000 in cases of bodily injury to or death of two or more persons from any one accident, and from \$20,000 to \$25,000 for injury to or destruction of property of others as a result of any one accident.

The bill also requires that self-insured operators of taxicabs maintain protection against uninsured and underinsured drivers with limits of \$25,000, \$50,000, and \$20,000, respectively, with respect to each motor vehicle.

SB 1182 amends and reenacts §§ 46.2-419, 46.2-472, and 46.2-2057 of the Code of Virginia. The full text of this new law can be found at <https://lis.virginia.gov/cgi-bin/legp604.exe?212+ful+CHAP0273>.



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