

3 judge of said court shall also immediately enter upon the reverse side  
4 of the operator's or chauffeur's license of the convicted person, the  
5 date of said conviction, the code section violated and add his signature,  
6 which shall remain on said license until renewal unless ordered re-  
7 moved after a subsequent acquittal on appeal."

1 SEC. 2. This act being deemed of immediate importance shall be  
2 in full force and effect from and after its publication in the Cedar  
3 Falls Record, a newspaper published at Cedar Falls, Iowa, and in the  
4 Ottumwa Daily Courier, a newspaper published at Ottumwa, Iowa.

Approved April 22, 1947.

I hereby certify that the foregoing act was published in the Cedar Falls Record,  
April 25, 1947, and the Ottumwa Daily Courier, April 24, 1947.

ROLLO H. BERGESON, *Secretary of State.*

## CHAPTER 172

Referred to in chapter 173.

### MOTOR VEHICLE RESPONSIBILITY ACT

H. F. 96

AN ACT relating to the giving of proof of financial responsibility and security by owners and operators of motor vehicles and to make uniform the law with reference thereto, and to repeal sections three hundred twenty-one point two hundred seventy-five (321.275) to three hundred twenty-one point two hundred seventy-nine (321.279) inclusive, code 1946.

*Be It Enacted by the General Assembly of the State of Iowa:*

#### WORDS AND PHRASES DEFINED

1 SECTION 1. **Definitions.** The following words and phrases when  
2 used in this act shall, for the purposes of this act, have the meanings  
3 respectively ascribed to them in this section, except in those instances  
4 where the context clearly indicates a different meaning:  
5 1. *Commissioner.* The commissioner of public safety of this state.  
6 2. *Judgment.* Any judgment which shall have become final by  
7 expiration without appeal during the time within which an appeal  
8 might have been perfected, or any judgment if an appeal from such  
9 judgment has been perfected, which has not been stayed by the  
10 execution, filing and approval of a bond as provided in rule 337 (a)  
11 of the rules of civil procedure, or any judgment which shall have  
12 become final by affirmation on appeal, rendered by a court of competent  
13 jurisdiction of any state or of the United States, upon a cause of action  
14 arising out of the ownership, maintenance, or use of any motor vehicle,  
15 for damages, including damages for care and loss of services, because  
16 of bodily injury to or death of any person, or for damages because of  
17 injury to or destruction of property, including the loss of use thereof,  
18 or upon a cause of action on an agreement of settlement for such  
19 damages.  
20 3. *License.* Any license, temporary instruction permit, or tem-  
21 porary license issued under the laws of this state pertaining to the  
22 licensing of persons to operate motor vehicles.

23 4. *Motor vehicle.* "Motor vehicle" means every vehicle which is  
24 self-propelled but not including vehicles known as trackless trolleys  
25 which are propelled by electric power obtained from overhead trolley  
26 wires, but not operated upon rails. The terms "car" or "automobile"  
27 shall be synonymous with the term "motor vehicle".

28 5. *Nonresident.* Every person who is not a resident of this state.

29 6. *Nonresident operating privilege.* The privilege conferred upon  
30 a nonresident by the laws of this state pertaining to the operation by  
31 him of a motor vehicle, or the use of a motor vehicle owned by him, in  
32 this state.

33 7. *Operator.* Every person who is in actual physical control of a  
34 motor vehicle whether or not licensed as an operator or chauffeur under  
35 the laws of this state.

36 8. *Owner.* A person who holds the legal title of a motor vehicle,  
37 or in the event a motor vehicle is the subject of an agreement for the  
38 conditional sale or lease thereof with the right of purchase upon per-  
39 formance of the conditions stated in the agreement and with an  
40 immediate right of possession vested in the conditional vendee or lessee,  
41 or in the event a mortgagor of a vehicle is entitled to possession, then  
42 such conditional vendee or lessee or mortgagor shall be deemed the  
43 owner for the purposes of this act.

44 9. *Person.* Every natural person, firm, copartnership, association,  
45 or corporation.

46 10. *Proof of financial responsibility.* Proof of ability to respond  
47 in damages for liability, on account of accidents occurring subsequent  
48 to the effective date of said proof, arising out of the ownership, main-  
49 tenance, or use of a motor vehicle, in the amount of five thousand  
50 dollars (\$5,000) because of bodily injury to or death of one person in  
51 any one accident, and, subject to said limit for one person, in the  
52 amount of ten thousand dollars (\$10,000) because of bodily injury to  
53 or death of two or more persons in any one accident, and in the amount  
54 of one thousand dollars (\$1,000) because of injury to or destruction  
55 of property of others in any one accident.

56 11. *Registration.* Registration certificate or certificates and regis-  
57 tration plates issued under the laws of this state pertaining to the  
58 registration of motor vehicles.

59 12. *State.* Any state, territory, or possession of the United States,  
60 the District of Columbia, or any province of the Dominion of Canada.

#### ADMINISTRATION OF ACT

1 SEC. 2. *Commissioner to administer act—appeal to court.* (a)  
2 The commissioner shall administer and enforce the provisions of this  
3 act and may make rules and regulations necessary for its administra-  
4 tion and shall provide for hearings upon request of persons aggrieved  
5 by orders or acts of the commissioner under the provisions of sections  
6 4, 5, 6, 7, 8, 9, 10 and 11 of this act.

7 (b) Any persons aggrieved by an order or act of the commissioner,  
8 under the provisions of this act, may, within ten (10) days after notice  
9 thereof, file a petition in the district court of the county of his residence  
10 for a trial de novo to determine whether such order or act is lawful  
11 and reasonable. The filing of such a petition shall not suspend the  
12 order or act of the commissioner unless a stay thereof shall be allowed  
13 by a judge of said court pending final determination of the matter. The

14 court shall summarily hear the petition and may make any appropriate  
15 order or decree.

1 **SEC. 3. Commissioner to furnish operating record; fees to be**  
2 **charged and disposition of fees.** The commissioner shall upon request  
3 furnish any person a certified abstract of the operating record of any  
4 person subject to the provisions of this act, which abstract shall also  
5 fully designate the motor vehicles, if any, registered in the name of  
6 such person, and, if there shall be no record of any conviction of such  
7 person having violated any law relating to the operation of a motor  
8 vehicle or of any injury or damage caused by such person, the com-  
9 missioner shall so certify. A fee of one dollar (\$1.00) shall be paid  
10 for each such abstract except by state, county, city, town or court  
11 officials. Such fees shall be used by the department for administering  
12 this act. Such abstracts shall not be admissible as evidence in any  
13 action for damages or criminal proceedings arising out of a motor-  
14 vehicle accident.

#### SECURITY FOLLOWING ACCIDENT

1 **SEC. 4. Effect of failure to report accidents.** The commissioner  
2 shall suspend the license or any nonresident's operating privilege of  
3 any person who willfully fails, refuses, or neglects to make reports  
4 of a traffic accident as required by the laws of this state.

1 **SEC. 5. Security required following accident—exceptions.** (a) The  
2 commissioner shall, immediately or within sixty (60) days after the  
3 receipt of a report of a motor-vehicle accident within this state which  
4 has resulted in bodily injury or death or damage to the property of  
5 any one person in excess of fifty dollars (\$50), suspend the license of  
6 each operator and all registrations of each owner of a motor vehicle  
7 in any manner involved in such accident, and if such operator is a  
8 nonresident the privilege of operating a motor vehicle within this state,  
9 and if such owner is a nonresident the privilege of the use within  
10 this state of any motor vehicle owned by him, unless such operator  
11 or owner of\* both shall deposit security in a sum which shall be  
12 sufficient in the judgment of the commissioner to satisfy any judgment  
13 or judgments for damages resulting from such accident as may be  
14 recovered against such operator or owner; provided notice of such  
15 suspension shall be sent by the commissioner to such operator and  
16 owner not less than ten (10) days prior to the effective date of such  
17 suspension and shall state the amount required as security.

18 (b) This section shall not apply under the conditions stated in  
19 section 6 or to any of the following:

20 1. To such operator or owner if such owner had in effect at the  
21 time of such accident an automobile liability policy with respect to  
22 the motor vehicle involved in such accident;

23 2. To such operator, if not the owner of such motor vehicle, if there  
24 was in effect at the time of such accident an automobile liability policy  
25 or bond with respect to his operation of motor vehicles not owned by  
26 him;

27 3. To such operator or owner if the liability of such operator or  
28 owner for damages resulting from such accident is, in the judgment

\*According to enrolled act.

29 of the commissioner, covered by any other form of liability insurance  
30 policy or bond; or

31 4. To such owner if such owner is at the time of such accident  
32 qualified as a self-insurer under section 34.

33 (c) No such policy or bond shall be effective under this section unless  
34 issued by an insurance company or surety company authorized to  
35 do business in this state, except that if such motor vehicle was not  
36 registered in this state, or was a motor vehicle which was registered  
37 elsewhere than in this state at the effective date of the policy or bond,  
38 or the most recent renewal thereof, such policy or bond shall not be  
39 effective under this section unless the insurance company or surety  
40 company if not authorized to do business in this state shall execute  
41 a power of attorney authorizing the commissioner to accept service  
42 on its behalf of notice or process in any action upon such policy or  
43 bond arising out of such accident; provided, however, every such  
44 policy or bond is subject, if the accident has resulted in bodily injury  
45 or death, to a limit, exclusive of interest and costs, of not less than  
46 five thousand dollars (\$5,000) because of bodily injury to or death  
47 of one person in any one accident and, subject to said limit for one  
48 person, to a limit of not less than ten thousand dollars (\$10,000)  
49 because of bodily injury to or death of two or more persons in any  
50 one accident, and, if the accident has resulted in injury to or destruc-  
51 tion of property, to a limit of not less than one thousand dollars  
52 (\$1,000) because of injury to or destruction of property of others in  
53 any one accident.

54 Upon receipt of notice of such accident, the insurance carrier or  
55 surety carrier which issued such policy or bond shall furnish for  
56 filing with the commissioner a written notice that such policy or bond  
57 was in effect at the time of such accident.

1 SEC. 6. Exceptions to requirement of security. The requirements  
2 as to security and suspension in section 5 shall not apply:

3 1. To the operator or the owner of a motor vehicle involved in any  
4 accident wherein no injury or damage was caused to the person or  
5 property of any one other than such operator or owner.

6 2. To the operator or the owner of a motor vehicle if at the time  
7 of the accident the vehicle was stopped, standing, or parked, whether  
8 attended or unattended, except that the requirements of this act shall  
9 apply in the event the commissioner determines that any such stopping,  
10 standing, or parking of the vehicle was illegal or that the vehicle  
11 was not equipped with lighted lamps or illuminating devices or flags  
12 when and as required by the laws of this state and that any such  
13 violation contributed to the accident.

14 3. To the owner of a motor vehicle if at the time of the accident  
15 the vehicle was being operated without his permission, express or  
16 implied, or was parked by a person who had been operating such  
17 motor vehicle without such permission.

18 4. If, prior to the date that the commissioner would otherwise  
19 suspend license and registration or nonresident's operating privilege  
20 under section 5, there shall be filed with the commissioner evidence  
21 satisfactory to him that the person who would otherwise have to file  
22 security has been released from liability or been finally adjudicated  
23 not to be liable or has executed a warrant for confession of judgment,  
24 payable when and in such installments as the parties have agreed to.

25 or has executed a duly acknowledged written agreement providing for  
26 the payment of an agreed amount in installments, with respect to all  
27 claims for injuries or damages resulting from the accident.

1     **SEC. 7. Duration of suspension.** The license and registration and  
2 nonresident's operating privilege suspended as provided in section  
3 5 shall remain so suspended and shall not be renewed nor shall any  
4 such license or registration be issued to such person until:

5     1. Such person shall deposit or there shall be deposited on his behalf  
6 the security required under section 5; or

7     2. One year shall have elapsed following the date of such accident  
8 and evidence satisfactory to the commissioner has been filed with him  
9 that during such period no action for damages arising out of such  
10 accident has been instituted; or

11     3. Evidence satisfactory to the commissioner has been filed with  
12 him of a release from liability, or a final adjudication of nonliability,  
13 or a warrant for confession of judgment, or a duly acknowledged  
14 written agreement, in accordance with subdivision 4 of section 6;  
15 provided, however, in the event there shall be any default in the  
16 payment of any installment under any confession of judgment, then,  
17 upon notice of such default, the commissioner shall forthwith suspend  
18 the license and registration or nonresident's operating privilege of  
19 such person defaulting which shall not be restored unless and until  
20 the entire amount provided for in said confession of judgment has  
21 been paid; and provided, further, that in the event there shall be any  
22 default in the payment of any installment under any duly acknowledged  
23 written agreement, then, upon notice of such default, the commissioner  
24 shall forthwith suspend the license and registration or nonresident's  
25 operating privilege of such person defaulting which shall not be  
26 restored unless and until (1) such person deposits and thereafter  
27 maintains security as required under section 5 in such amount as  
28 the commissioner may then determine, or (2) one year shall have  
29 elapsed following the date when such security was required and during  
30 such period no action upon such agreement has been instituted in a  
31 court in this state.

1     **SEC. 8. Application to nonresidents, unlicensed drivers, and un-**  
2 **registered motor vehicles.** In case the operator or the owner of a  
3 motor vehicle involved in an accident within this state has no license  
4 or registration, he shall not be allowed a license or registration until  
5 he has complied with the requirements of sections 4, 5, 6, 7, 8, 9, 10  
6 and 11 to the same extent that would be necessary if, at the time of  
7 the accident, he had held a license and registration.

1     **SEC. 9. Form and amount of security.** (a) The security required  
2 under sections 4, 5, 6, 7, 8, 9, 10 and 11 shall be in such form and in  
3 such amount as the commissioner may require but in no case in  
4 excess of the limits specified in section 5 in reference to the acceptable  
5 limits of a policy or bond. The person depositing security shall specify  
6 in writing the person or persons on whose behalf the deposit is made  
7 and, at any time while such deposit is in the custody of the com-  
8 missioner or state treasurer, the person depositing it may, in writing,  
9 amend the specification of the person or persons on whose behalf the  
10 deposit is made to include an additional person or persons; provided,

11 however, that a single deposit of security shall be applicable only  
12 on behalf of persons required to furnish security because of the same  
13 accident.

14 (b) The commissioner may reduce the amount of security ordered  
15 in any case within six (6) months after the date of the accident if,  
16 in his judgment, the amount ordered is excessive. In case the security  
17 originally ordered has been deposited the excess deposited over the  
18 reduced amount ordered shall be returned to the depositor or his  
19 personal representative forthwith, notwithstanding the provisions of  
20 section 10.

1 **SEC. 10. Custody, disposition, and return of security.** Security  
2 deposited in compliance with the requirements of sections 4, 5, 6,  
3 7, 8, 9, 10 and 11 shall be placed by the commissioner in the custody  
4 of the state treasurer and shall be applicable only to the payment of  
5 a judgment or judgments rendered against the person or persons on  
6 whose behalf the deposit was made, for damages arising out of the  
7 accident in question in an action at law, begun not later than one (1)  
8 year after the date of such accident, or within one (1) year after the  
9 date of deposit of any security under subdivision 3 of section 7, and  
10 such deposit or any balance thereof shall be returned to the depositor  
11 or his personal representative when evidence satisfactory to the com-  
12 missioner has been filed with him that there has been a release from  
13 liability, or a final adjudication of nonliability, or a warrant for  
14 confession of judgment, or a duly acknowledged agreement, in accord-  
15 ance with subdivision 4 of section 6, or whenever, after the expiration  
16 of one (1) year from the date of the accident, or within one (1) year  
17 after the date of deposit of any security under subdivision 3 of section  
18 7, the commissioner shall be given reasonable evidence that there is  
19 no such action pending and no judgment rendered in such action  
20 left unpaid.

1 **SEC. 11. Matters not to be evidence in civil suits.** Neither the  
2 report required by section 4, the action taken by the commissioner  
3 pursuant to sections 4, 5, 6, 7, 8, 9, 10 and 11, the findings, if any,  
4 of the commissioner upon which action is based, nor the security filed  
5 as provided in sections 4, 5, 6, 7, 8, 9, 10 and 11 shall be referred to  
6 in any way, or be any evidence of the negligence or due care of either  
7 party, at the trial of any action at law to recover damages.

#### PROOF OF FINANCIAL RESPONSIBILITY FOR THE FUTURE

1 **SEC. 12. Courts to report nonpayment of judgments.** (a) When-  
2 ever any person fails within sixty (60) days to satisfy any judgment,  
3 it shall be the duty of the clerk of the court, or of the judge of a court  
4 which has no clerk, in which any such judgment is rendered within  
5 this state, to forward to the commissioner immediately after the  
6 expiration of said sixty (60) days, a certified copy of such judgment.

7 (b) If the defendant named in any certified copy of a judgment  
8 reported to the commissioner is a nonresident, the commissioner shall  
9 transmit a certified copy of the judgment to the official in charge of  
10 the issuance of licenses and registration certificates of the state of  
11 which the defendant is a resident.

1 **SEC. 13. Suspension for nonpayment of judgments—exceptions.**  
2 (a) The commissioner upon receipt of a certified copy of a judgment,

3 shall forthwith suspend the license and registration and any non-  
 4 resident's operating privilege of any person against whom such judg-  
 5 ment was rendered, except as hereinafter otherwise provided in this  
 6 section and in section 16.

7 (b) If the judgment creditor consents in writing, in such form  
 8 as the commissioner may prescribe, that the judgment debtor be  
 9 allowed license and registration or nonresident's operating privilege,  
 10 the same may be allowed by the commissioner, in his discretion, for  
 11 six (6) months from the date of such consent and thereafter until  
 12 such consent is revoked in writing, notwithstanding default in the  
 13 payment of such judgment, or of any installments thereof prescribed  
 14 in section 16, provided the judgment debtor furnishes proof of financial  
 15 responsibility.

16 (c) Any person whose license, registration, or nonresident's  
 17 operating privilege has been suspended or is about to be suspended  
 18 or shall become subject to suspension under the provisions of sections  
 19 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 and 29  
 20 may be relieved from the effect of such judgment as hereinbefore  
 21 prescribed in sections 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24,  
 22 25, 26, 27, 28 and 29 by filing with the commissioner an affidavit  
 23 stating that at the time of the accident upon which such judgment  
 24 has been rendered the affiant was insured, that the insurer is liable  
 25 to pay such judgment, and the reason, if known, why such insurance  
 26 company has not paid such judgment. Such a person shall also file  
 27 the original policy of insurance or a certified copy thereof, if available,  
 28 and such other documents as the commissioner may require to show  
 29 that the loss, injury, or damage for which such judgment was rendered,  
 30 was covered by such policy of insurance. If the commissioner is  
 31 satisfied from such papers that such insurer was authorized to issue  
 32 such policy of insurance at the time and place of issuing such policy  
 33 and that such insurer is liable to pay such judgment, at least to the  
 34 extent and for the amounts required in this act, the commissioner  
 35 shall not suspend such license or registration or nonresident's operating  
 36 privilege, or if already suspended shall reinstate them.

1 **SEC. 14. Suspension to continue until judgments paid and proof**  
 2 **given.** (a) Such license, registration, and nonresident's operating  
 3 privilege shall remain so suspended and shall not be renewed, nor  
 4 shall any such license or registration be thereafter issued in the name  
 5 of such person, including any such person not previously licensed,  
 6 unless and until every such judgment is satisfied in full or to the  
 7 extent hereinafter provided, and until the said person gives proof of  
 8 financial responsibility subject to the exemptions stated in sections  
 9 13 and 16 of this act.

10 (b) A discharge in bankruptcy following the rendering of any  
 11 such judgment shall not relieve the judgment debtor from any of the  
 12 requirements of sections 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23,  
 13 24, 25, 26, 27, 28 and 29.

1 **SEC. 15. Payments sufficient to satisfy requirements.** (a) Judgments  
 2 herein referred to shall, for the purpose of this act only, be deemed  
 3 satisfied:

4 1. When five thousand dollars (\$5,000) has been credited upon any  
 5 judgment or judgments rendered in excess of that amount because

6 of bodily injury to or death of one person as the result of any one  
7 accident; or

8 2. When, subject to such limit of five thousand dollars (\$5,000)  
9 because of bodily injury to or death of one person, the sum of ten  
10 thousand dollars (\$10,000) has been credited upon any judgment or  
11 judgments rendered in excess of that amount because of bodily injury  
12 to or death of two or more persons as the result of any one accident; or

13 3. When one thousand dollars (\$1,000) has been credited upon any  
14 judgment or judgments rendered in excess of that amount because  
15 of injury to or destruction of property of others as a result of any  
16 one accident;

17 (b) Provided, however, payments made in settlements of any claims  
18 because of bodily injury, death, or property damage arising from a  
19 motor-vehicle accident shall be credited in reduction of the amounts  
20 provided for in this section.

1 **SEC. 16. Installment payment of judgments—default.** (a) A  
2 judgment debtor upon due notice to the judgment creditor may apply  
3 to the court in which such judgment was rendered for the privilege  
4 of paying such judgment in installments and the court, in its discretion  
5 and without prejudice to any other legal remedies which the judgment  
6 creditor may have, may so order and fix the amounts and times of  
7 payment of the installments.

8 (b) The commissioner shall not suspend a license, registration, or  
9 nonresident's operating privilege, and shall restore any license,  
10 registration, or nonresident's operating privilege suspended following  
11 nonpayment of a judgment, when the judgment debtor gives proof of  
12 financial responsibility and obtains such an order permitting the  
13 payment of such judgment in installments, and while the payment of  
14 any said installment is not in default.

15 (c) In the event the judgment debtor fails to pay any installment  
16 as specified by such order, then upon notice of such default, the com-  
17 missioner shall forthwith suspend the license, registration, or non-  
18 resident's operating privilege of the judgment debtor until such  
19 judgment is satisfied, as provided in this act.

1 **SEC. 17. Proof required upon certain convictions.** (a) Whenever  
2 the commissioner, under any law of this state, suspends or revokes  
3 the license of any person upon receiving record of a conviction or a  
4 forfeiture of bail, the commissioner shall also suspend the registration  
5 for all motor vehicles registered in the name of such person, except  
6 that he shall not suspend such registration, unless otherwise required  
7 by law, if such person has previously given or shall immediately give  
8 and thereafter maintain proof of financial responsibility with respect  
9 to all motor vehicles registered by such person.

10 (b) Such license and registration shall remain suspended or revoked  
11 and shall not at any time thereafter be renewed nor shall any license  
12 be thereafter issued to such person, nor shall any motor vehicle be  
13 thereafter registered in the name of such person until permitted under  
14 the motor-vehicle laws of this state and not then unless and until he  
15 shall give and thereafter maintain proof of financial responsibility.

16 (c) If a person is not licensed, but by final order or judgment is  
17 convicted of or forfeits any bail or collateral deposited to secure an  
18 appearance for trial for any offense requiring the suspension or

19 revocation of license, or for operating a motor vehicle upon the  
20 highways without being licensed to do so, or for operating an un-  
21 registered motor vehicle upon the highways, no license shall be there-  
22 after issued to such person and no motor vehicle shall continue to  
23 be registered or thereafter be registered in the name of such person  
24 until he shall give and thereafter maintain proof of financial respon-  
25 sibility.

26 (d) Whenever the commissioner suspends or revokes a nonresident's  
27 operating privilege by reason of a conviction or forfeiture of bail, such  
28 privilege shall remain so suspended or revoked unless such person  
29 shall have previously given or shall immediately give and thereafter  
30 maintain proof of financial responsibility.

1 **SEC. 18. Alternate methods of giving proof.** Proof of financial  
2 responsibility when required under this act may be given by filing:

- 3 1. A certificate of insurance as provided in section 19 or section 20;
- 4 or
- 5 2. A bond as provided in section 24; or
- 6 3. A certificate of deposit of money or securities as provided in
- 7 section 25.

1 **SEC. 19. Certificate of insurance as proof.** (a) Proof of financial  
2 responsibility may be furnished by filing with the commissioner the  
3 written certificate of any insurance carrier duly authorized to do  
4 business in this state certifying that there is in effect a motor-vehicle  
5 liability policy for the benefit of the person required to furnish proof  
6 of financial responsibility. Such certificate shall give the effective date  
7 of such motor-vehicle liability policy, which date shall be the same as  
8 the effective date of the certificate, and shall designate by explicit  
9 description or by appropriate reference all motor vehicles covered  
10 thereby, unless the policy is issued to a person who is not the owner of  
11 a motor vehicle.

12 (b) No motor vehicle shall be or continue to be registered in the  
13 name of any person required to file proof of financial responsibility  
14 unless such motor vehicle is so designated in such a certificate.

1 **SEC. 20. Certificate furnished by nonresident as proof.** (a) The  
2 nonresident owner of a motor vehicle not registered in this state may  
3 give proof of financial responsibility by filing with the commissioner  
4 a written certificate or certificates of an insurance carrier authorized  
5 to transact business in the state in which the motor vehicle, or motor  
6 vehicles, described in such certificate is registered, or if such non-  
7 resident does not own a motor vehicle, then in the state in which the  
8 insured resides, provided such certificate otherwise conforms with  
9 the provisions of this act, and the commissioner shall accept the same  
10 upon condition that said insurance carrier complies with the following  
11 provisions with respect to the policies so certified:

12 1. Said insurance carrier shall execute a power of attorney author-  
13 izing the commissioner to accept service on its behalf of notice or proc-  
14 ess in any action arising out of a motor-vehicle accident in this state.

15 2. Said insurance carrier shall agree in writing that such policies  
16 shall be deemed to conform with the laws of this state relating to the  
17 terms of motor-vehicle liability policies issued herein.

18 (b) If any insurance carrier not authorized to transact business

19 in this state, which has qualified to furnish proof of financial respon-  
20 sibility, defaults in any said undertakings or agreements, the com-  
21 missioner shall not thereafter accept as proof any certificate of said  
22 carrier whether theretofore filed or thereafter tendered as proof, so  
23 long as such default continues.

1     **SEC. 21. "Motor-vehicle liability policy" defined.** (a) A "motor-  
2 vehicle liability policy" as said term is used in this act shall mean  
3 an owner's or an operator's policy of liability insurance, certified as  
4 provided in section 19 or section 20 as proof of financial responsibility,  
5 and issued, except as otherwise provided in section 20, by an insurance  
6 carrier duly authorized to transact business in this state, to or for  
7 the benefit of the person named therein as insured.

8     (b) Such owner's policy of liability insurance:

9     1. Shall designate by explicit description or by appropriate reference  
10 all motor vehicles with respect to which coverage is thereby to be  
11 granted; and

12     2. Shall insure the person named therein and any other person,  
13 as insured, using any such motor vehicle or motor vehicles with the  
14 express or implied permission of such named insured, against loss  
15 from the liability imposed by law for damages arising out of the  
16 ownership, maintenance, or use of such motor vehicle or motor vehicles  
17 within the United States of America or the Dominion of Canada,  
18 subject to limits exclusive of interest and costs, with respect to each  
19 such motor vehicle, as follows: Five thousand dollars (\$5,000) because  
20 of bodily injury to or death of one person in any one accident and,  
21 subject to said limit for one person, ten thousand dollars (\$10,000)  
22 because of bodily injury to or death of two or more persons in any one  
23 accident, and one thousand dollars (\$1,000) because of injury to or  
24 destruction of property of others in any one accident.

25     (c) Such operator's policy of liability insurance shall insure the  
26 person named as insured therein against loss from the liability imposed  
27 upon him by law for damages arising out of the use by him of any  
28 motor vehicle not owned by him, within the same territorial limits and  
29 subject to the same limits of liability as are set forth above with respect  
30 to an owner's policy of liability insurance.

31     (d) Such motor-vehicle liability policy shall state the name and  
32 address of the named insured, the coverage afforded by the policy, the  
33 premium charged therefor, the policy period, and the limits of liability,  
34 and shall contain an agreement or be endorsed that insurance is provid-  
35 ed thereunder in accordance with the coverage defined in this act as  
36 respects bodily injury and death or property damage, or both, and is  
37 subject to all the provisions of this act.

38     (e) Such motor-vehicle liability policy need not insure any liability  
39 under any workmen's compensation law nor any liability on account  
40 of bodily injury to or death of an employee of the insured while engaged  
41 in the employment, other than domestic, of the insured, or while  
42 engaged in the operation, maintenance, or repair of any such motor  
43 vehicle nor any liability for damage to property owned by, rented to,  
44 in charge of, or transported by the insured.

45     (f) Every motor-vehicle liability policy shall be subject to the  
46 following provisions which need not be contained therein:

47     1. The liability of the insurance carrier with respect to the insurance

48 required by this act shall become absolute whenever injury or damage  
 49 covered by said motor-vehicle liability policy occurs; said policy may  
 50 not be canceled or annulled as to such liability by any agreement  
 51 between the insurance carrier and the insured after the occurrence of  
 52 the injury or damage; no statement made by the insured or on his  
 53 behalf and no violation of said policy shall defeat or void said policy.

54 2. The satisfaction by the insured of a judgment for such injury  
 55 or damage shall not be a condition precedent to the right or duty of  
 56 the insurance carrier to make payment on account of such injury or  
 57 damage.

58 3. The insurance carrier shall have the right to settle any claim  
 59 covered by the policy, and if such settlement is made in good faith, the  
 60 amount thereof shall be deductible from the limits of liability specified  
 61 in subdivision 2 of subsection (b) of this section.

62 4. The policy, the written application therefor, if any, and any  
 63 rider or endorsement which does not conflict with the provisions of  
 64 the act shall constitute the entire contract between the parties.

65 (g) Any policy which grants the coverage required for a motor-  
 66 vehicle liability policy may also grant any lawful coverage in excess  
 67 of or in addition to the coverage specified for a motor-vehicle liability  
 68 policy and such excess or additional coverage shall not be subject to  
 69 the provisions of this act. With respect to a policy which grants such  
 70 excess or additional coverage the term "motor-vehicle liability policy"  
 71 shall apply only to that part of the coverage which is required by this  
 72 section.

73 (h) Any motor-vehicle liability policy may provide that the insured  
 74 shall reimburse the insurance carrier for any payment the insurance  
 75 carrier would not have been obligated to make under the terms of the  
 76 policy except for the provisions of this act.

77 (i) Any motor-vehicle liability policy may provide for the prorating  
 78 of the insurance thereunder with other valid and collectible insurance.

79 (j) The requirements for a motor-vehicle liability policy may be  
 80 fulfilled by the policies of one or more insurance carriers which policies  
 81 together meet such requirements.

82 (k) Any binder issued pending the issuance of a motor-vehicle  
 83 liability policy shall be deemed to fulfill the requirements for such a  
 84 policy.

1 **SEC. 22. Notice of cancelation\* or termination of certified policy.**

2 When an insurance carrier has certified a motor-vehicle liability policy  
 3 under section 19 or section 20, the insurance so certified shall not be  
 4 canceled or terminated until at least ten (10) days after a notice of  
 5 cancelation or termination of the insurance so certified shall be filed  
 6 in the office of the commissioner, except that such a policy subsequently  
 7 procured and certified shall, on the effective date of its certification,  
 8 terminate the insurance previously certified with respect to any motor-  
 9 vehicle designated in both certificates.

1 **SEC. 23. Act not to affect other policies.** (a) This act shall not  
 2 be held to apply to or affect policies of automobile insurance against  
 3 liability which may now or hereafter be required by any other law of  
 4 this state, and such policies, if they contain an agreement or are

\*According to enrolled act.

5 endorsed to conform with the requirements of this act, may be certified  
6 as proof of financial responsibility under this act.

7 (b) This act shall not be held to apply to or affect policies insuring  
8 solely the insured named in the policy against liability resulting from  
9 the maintenance or use by persons in the insured's employ or on his  
10 behalf of motor vehicles not owned by the insured.

1 SEC. 24. **Bond as proof.** (a) Proof of financial responsibility may  
2 be evidenced by the bond of a surety company duly authorized to  
3 transact business within this state, or a bond with at least two  
4 individual sureties each owning real estate within this state, and to-  
5 gether having equities equal in value to at least twice the amount of the  
6 bond, which real estate shall be scheduled in the bond approved by a  
7 judge or clerk of a court of record, which said bond shall be conditioned  
8 for payment of the amounts specified in subsection 10 of section 1.  
9 Such bond shall be filed with the commissioner and shall not be cancel-  
10 able except after ten (10) days written notice to the commissioner.  
11 Such bond shall constitute a lien in favor of the state upon the real  
12 estate so scheduled of any surety, which lien shall exist in favor of  
13 any holder of a final judgment against the person who has filed such  
14 bond, for damages, including damages for care and loss of services,  
15 because of bodily injury to or death of any person, or for damage be-  
16 cause of injury to or destruction of property, including the loss of use  
17 thereof, resulting from the ownership, maintenance, use, or operation  
18 of a motor vehicle after such bond was filed, upon the filing of notice to  
19 that effect by the commissioner in the office of the proper clerk of  
20 court of the county where such real estate shall be located. Any  
21 individual surety so scheduling real estate security shall furnish  
22 satisfactory evidence of title thereto and the nature and extent of all  
23 encumbrances thereon and the value of the surety's interest therein,  
24 in such manner as the judge or clerk of the court of record approving  
25 the bond may require. The notice filed by the commissioner shall, in  
26 addition to any other matters by him deemed to be pertinent, contain a  
27 legal description of the real estate so scheduled, the name of the holder  
28 of the record title, the amount for which it stands as security, and  
29 the name of the person in whose behalf proof is so being made. Upon  
30 the filing of such notice the clerk of the court of such county shall  
31 retain the same as part of the records of such court and enter upon  
32 the encumbrance book the date and hour of filing, the name of the  
33 surety, the name of the record title holder, the description of the real  
34 estate, and the further notation that a lien is charged on such real  
35 estate pursuant to the notice filed hereunder. From and after the  
36 entry of the foregoing upon the encumbrance book all persons whomso-  
37 ever shall be charged with notice thereof.

38 (b) If such a judgment, rendered against the principal on such  
39 bond shall not be satisfied within sixty (60) days after it has become  
40 final, the judgment creditor may, for his own use and benefit and at  
41 his sole expense, bring an action or actions in the name of the state  
42 against the company or persons executing such bond, including an  
43 action or proceeding to foreclose any lien that may exist upon the real  
44 estate of a person who has executed such bond. An action to foreclose  
45 any lien upon real estate scheduled by any surety under the provisions

46 of this act shall be by equitable proceeding in the same manner as is  
47 provided for the foreclosure of real estate mortgages.

1     **SEC. 25. Money or securities as proof.** (a) Proof of financial  
2 responsibility may be evidenced by the certificate of the state treasurer  
3 that the person named therein has deposited with him eleven thousand  
4 dollars (\$11,000) in cash, or securities such as may legally be purchased  
5 by savings banks or for trust funds of a market value of eleven  
6 thousand dollars (\$11,000). The state treasurer shall not accept any  
7 such deposit and issue a certificate therefor and the commissioner shall  
8 not accept such certificate unless accompanied by evidence that there  
9 are no unsatisfied judgments of any character against the depositor in  
10 the county where the depositor resides.

11     (b) Such deposit shall be held by the state treasurer to satisfy, in  
12 accordance with the provisions of this act, any execution on a judgment  
13 issued against such person making the deposit, for damages, including  
14 damages for care and loss of services, because of bodily injury to or  
15 death of any person, or for damages because of injury to or destruction  
16 of property, including the loss of use thereof, resulting from the owner-  
17 ship, maintenance, use, or operation of a motor vehicle after such  
18 deposit was made. Money or securities so deposited shall not be  
19 subject to attachment or execution unless such attachment or execu-  
20 tion shall arise out of a suit for damages as aforesaid.

1     **SEC. 26. Owner may give proof for others.** Whenever any person  
2 required to give proof of financial responsibility hereunder is or later  
3 becomes an operator in the employ of any owner, or is or later becomes  
4 a member of the immediate family or household of the owner, the  
5 commissioner shall accept proof given by such owner in lieu of proof  
6 by such other person to permit such other person to operate a motor  
7 vehicle for which the owner has given proof as herein provided or has  
8 qualified as a self-insurer under section 34 of this act. The com-  
9 missioner shall designate the restrictions imposed by this section on  
10 the face of such person's license.

1     **SEC. 27. Substitution of proof.** The commissioner shall consent  
2 to the cancelation of any bond or certificate of insurance or the  
3 commissioner shall direct and the state treasurer shall return any  
4 money or securities to the person entitled thereto upon the substitution  
5 and acceptance of other adequate proof of financial responsibility  
6 pursuant to this act.

1     **SEC. 28. Other proof may be required.** Whenever any proof of  
2 financial responsibility filed under the provisions of this act no longer  
3 fulfills the purposes for which required, the commissioner shall for  
4 the purpose of this act, require other proof as required by this act  
5 and shall suspend the license and registration or the nonresident's  
6 operating privilege pending the filing of such other proof.

1     **SEC. 29. Duration of proof—when proof may be canceled or**  
2 **returned.** (a) The commissioner shall upon request consent to the  
3 immediate cancelation of any bond or certificate of insurance, or the  
4 commissioner shall direct and the state treasurer shall return to the  
5 person entitled thereto any money or securities deposited pursuant to  
6 this act as proof of financial responsibility, or the commissioner shall  
7 waive the requirement of filing proof, in any of the following events:

8 1. At any time after three (3) years from the date such proof  
 9 was required when, during the three (3) year period preceding the  
 10 request, the commissioner has not received record of a conviction or  
 11 a forfeiture of bail which would require or permit the suspension or  
 12 revocation of the license, registration, or nonresident's operating  
 13 privilege of the person by or for whom such proof was furnished; or

14 2. In the event of the death of the person on whose behalf such  
 15 proof was filed or the permanent incapacity of such person to operate  
 16 a motor vehicle; or

17 3. In the event the person who has given proof surrenders his  
 18 license and registration to the commissioner;

19 (b) Provided, however, that the commissioner shall not consent  
 20 to the cancelation of any bond or the return of any money or securities  
 21 in the event any action for damages upon a liability covered by such  
 22 proof is then pending or any judgment upon any such liability is  
 23 then unsatisfied, or in the event the person who has filed such bond  
 24 or deposited such money or securities has within one (1) year  
 25 immediately preceding such request been involved as an operator or  
 26 owner in any motor-vehicle accident resulting in injury or damage  
 27 to the person or property of others. An affidavit of the applicant as  
 28 to the nonexistence of such facts, or that he has been released from  
 29 all of his liability, or has been finally adjudicated not to be liable, for  
 30 such injury or damage, shall be sufficient evidence thereof in the  
 31 absence of evidence to the contrary in the records of the commissioner.

32 (c) Whenever any person whose proof has been canceled or returned  
 33 under subdivision 3 of this section applies for a license or registration  
 34 within a period of three (3) years from the date proof was originally  
 35 required, any such application shall be refused unless the applicant  
 36 shall re-establish such proof for the remainder of such three (3) year  
 37 period.

#### VIOLATION OF PROVISIONS OF ACT—PENALTIES

1 **SEC. 30. Transfer of registration to defeat purpose of act prohibited.**  
 2 This act shall not prevent the owner of a motor vehicle, the registration  
 3 of which has been suspended hereunder, from effecting a bona fide  
 4 sale of such motor vehicle to another person whose rights or privileges  
 5 are not suspended under this act nor prevent the registration of such  
 6 motor vehicle by such transferee. This act shall not in any wise affect  
 7 the rights of any conditional vendor, chattel mortgagee, or lessor  
 8 of a motor vehicle registered in the name of another as owner who  
 9 becomes subject to the provisions of this act.

1 **SEC. 31. Surrender of license and registration.** Any person whose  
 2 license or registration shall have been suspended as herein provided,  
 3 or whose policy of insurance or bond, when required under this act,  
 4 shall have been canceled or terminated, or who shall neglect to furnish  
 5 other proof upon request of the commissioner shall immediately return  
 6 his license and registration to the commissioner. If any person shall  
 7 fail to return to the commissioner the license or registration as  
 8 provided herein, the commissioner shall forthwith direct any peace  
 9 officer to secure possession thereof and to return the same to the  
 10 commissioner.

1 **SEC. 32. Other violations—penalties.** (a) Any person whose  
 2 license or registration or nonresident's operating privilege has been

3 suspended or revoked under this act and who, during such suspension  
4 or revocation drives any motor vehicle upon any highway or knowingly  
5 permits any motor vehicle owned by such person to be operated by  
6 another upon any highway, except as permitted under this act, shall  
7 be fined not more than five hundred dollars (\$500) or imprisoned not  
8 exceeding six (6) months, or both.

9 (b) Any person willfully failing to return license or registration  
10 as required in section 31 shall be fined not more than five hundred  
11 dollars (\$500) or imprisoned not to exceed thirty (30) days, or both.

12 (c) Any person who shall forge or, without authority, sign any  
13 notice provided for under section 5 that a policy or bond is in effect,  
14 or any evidence of proof of financial responsibility, or who files or  
15 offers for filing any such notice or evidence of proof knowing or having  
16 reason to believe that it is forged or signed without authority, shall be  
17 fined not more than one thousand dollars (\$1,000) or imprisoned not  
18 more than one (1) year, or both.

19 (d) Any person who shall violate any provision of this act for  
20 which no penalty is otherwise provided shall be fined not more than  
21 five hundred dollars (\$500) or imprisoned not more than ninety (90)  
22 days, or both.

#### GENERAL PROVISIONS

1 **SEC. 33. Exceptions.** This act shall not apply with respect to any  
2 motor vehicle owned by the United States, this state or any political  
3 subdivision of this state or any municipality therein; nor, except for  
4 sections 4 and 26 of this act, with respect to any motor vehicle which  
5 is subject to the requirements of section three hundred twenty-five  
6 point twenty-six (325.26) and section three hundred twenty-seven  
7 point fifteen (327.15), Code 1946.

1 **SEC. 34. Self-insurers.** (a) Any person in whose name more  
2 than twenty-five (25) motor vehicles are registered may qualify as a  
3 self-insurer by obtaining a certificate of self-insurance issued by the  
4 commissioner as provided in subsection (b) of this section.

5 (b) The commissioner may, in his discretion, upon the application  
6 of such a person, issue a certificate of self-insurance when he is  
7 satisfied that such person is possessed and will continue to be possessed  
8 of ability to pay judgments obtained against such person.

9 (c) Upon not less than five (5) days' notice and a hearing pursuant  
10 to such notice, the commissioner may upon reasonable grounds cancel  
11 a certificate of self-insurance. Failure to pay any judgment within  
12 thirty (30) days after such judgment shall have become final shall  
13 constitute a reasonable ground for the cancelation of a certificate  
14 of self-insurance.

1 **SEC. 35.** Sections three hundred twenty-one point two hundred  
2 seventy-five (321.275), three hundred twenty-one point two hundred  
3 seventy-six (321.276), three hundred twenty-one point two hundred  
4 seventy-seven (321.277), three hundred twenty-one point two hundred  
5 seventy-eight (321.278) and three hundred twenty-one point two  
6 hundred seventy-nine (321.279) of chapter three hundred twenty-one  
7 (321), Code 1946, are hereby repealed except with respect to any  
8 accident or judgment arising therefrom or violation of the motor-

9 vehicle laws of this state occurring prior to the effective date of this  
10 act.\*

1 SEC. 36. **Past application of act.** This act shall not apply with  
2 respect to any accident, or judgment arising therefrom, or violation  
3 of the motor-vehicle laws of this state, occurring prior to the effective  
4 date of this act.

1 SEC. 37. **Act not to prevent other process.** Nothing in this act  
2 shall be construed as preventing the plaintiff in any action at law  
3 from relying for relief upon the other processes provided by law.

1 SEC. 38. **Uniformity of interpretation.** This act shall be so  
2 interpreted and construed as to effectuate its general purpose to make  
3 uniform the laws of those states which enact it.

1 SEC. 39. **Constitutionality.** If any part or parts of this act shall  
2 be held unconstitutional, such unconstitutionality shall not affect the  
3 validity of the remaining parts of this act. The legislature hereby  
4 declares that it would have passed the remaining parts of this act  
5 if it had known that such part or parts thereof would be declared  
6 unconstitutional.

1 SEC. 40. **Title of act.** This act may be cited as the motor-vehicle  
2 financial and safety responsibility act.

1 SEC. 41. **Effective date.** This act shall be in full force and effect  
2 beginning October 1, 1947.

Approved March 24, 1947.

\*Amended by chapter 173.

## CHAPTER 173

### MOTOR VEHICLE ACCIDENT LIABILITY

H. F. 519

AN ACT to amend House File 96, Acts of the 52nd General Assembly, relating to motor vehicles and law of road and specifically to accident liability.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. House File ninety-six (96)\*, Acts of the 52nd General  
2 Assembly, now on file in the office of the Secretary of State, is hereby  
3 amended by adding at the end of section thirty-five (35) thereof, the  
4 following: "Any person who has heretofore had his operator's license  
5 suspended or has had his motor vehicle registration plates suspended  
6 or who has been refused registration or license to operate a motor  
7 vehicle upon the highways of the State of Iowa, under the provisions  
8 of sections three-hundred twenty-one point two hundred seventy-five,  
9 (321.275) to section three-hundred twenty-one point two hundred  
10 seventy-nine, (321.279), inclusive, Code 1946, and has not had such  
11 suspension removed, as therein provided, shall not be issued an  
12 operator's license nor be entitled to registration of a motor vehicle in

\*Chapter 172.