

Approved 3/26

FILED MAR 14 1980

SENATE FILE **2337**

By COMMITTEE ON COMMERCE

(FORMER SSB 2168)

Approved 2/13 (p. 881)

Passed Senate, Date 3-30-80 (p. 987) Passed House, Date _____

Vote: Ayes 37 Nays 6 Vote: Ayes _____ Nays _____

Approved _____

Motion to reconsider 3/21 adopted 3/27

*Referred Senate 3/27/80 (p. 1125)
29-3*

A BILL FOR

1 An Act relating to the financial responsibility requirements
 2 for and liability insurance policies relating to the
 3 operation and registration of motor vehicles in this
 4 state, and providing a penalty.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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2337

1 Section 1. Chapter three hundred twenty-one (321), Code
2 1979, is amended by adding the following new section:

3 NEW SECTION. PROOF OF FINANCIAL RESPONSIBILITY.

4 1. Notwithstanding the provisions of chapter three hundred
5 twenty-one A (321A) of the Code, as it pertains to who is
6 required to maintain proof of financial responsibility, a
7 person shall not operate a motor vehicle, which is required
8 to be registered in this state, on the highways of this state
9 unless liability insurance coverage is in effect for the
10 person.

11 2. The department shall not register a motor vehicle or
12 issue a registration certificate or registration plates unless
13 the applicant has submitted proof of liability insurance
14 coverage. The department shall revoke a registration upon
15 receipt of a notice of termination under subsection three
16 (3) of this section, unless the person submits proof of
17 replacement liability insurance coverage.

18 3. An insurance company transacting business in this state
19 shall notify the state department of transportation, in a
20 manner prescribed by the commissioner of insurance after
21 consultation with the state department of transportation,
22 of a termination of an insurance policy issued to a person
23 to satisfy the requirements for liability insurance coverage.
24 As used in this section, "termination" means termination of
25 coverage under an insurance policy for any reason whatever,
26 including but not limited to cancellation and failure to
27 renew.

28 4. The state department of transportation and the insurance
29 department shall adopt rules pursuant to chapter seventeen
30 A (17A) of the Code to implement the provisions of this
31 section.

32 Sec. 2. Section three hundred twenty-one point one (321.1),
33 Code 1979, as the section is amended by Acts of the Sixty-
34 eighth General Assembly, 1979 Session, chapter seventy (70),
35 sections one (1) and two (2) and chapter seventy-four (74),

1 section twenty-two (2), is amended by adding the following
2 new subsection:

3 NEW SUBSECTION. "Liability insurance coverage" means an
4 owner's policy of liability insurance which is issued by an
5 insurance carrier authorized to do business in this state
6 to or for the benefit of the person named in the policy as
7 insured, and insuring the person named as insured and any
8 person using an insured motor vehicle with the express or
9 implied permission of the named insured against loss from
10 liability imposed by law for damages arising out of the
11 ownership, maintenance or use of an insured motor vehicle
12 within the United States of America or the Dominion of Canada,
13 but subject to minimum limits, exclusive of interest and
14 costs, as follows: With respect to accidents occurring on
15 or after the effective date of this Act and before January
16 1, 1983, fifteen thousand dollars because of bodily injury
17 to or death of any one person in any one accident, and, subject
18 to the limit for any one person, thirty thousand dollars
19 because of bodily injury to or death of two or more persons
20 in any one accident, and ten thousand dollars because of
21 injury to or destruction of property of others in any one
22 accident; and, with respect to accidents occurring on or after
23 January 1, 1983, twenty-five thousand dollars because of
24 bodily injury to or death of any one person in any one
25 accident, and, subject to the limit for any one person, fifty
26 thousand dollars because of bodily injury to or death of two
27 or more persons in any one accident, and twenty-five thousand
28 dollars because of injury to or destruction of property of
29 others in any one accident.

30 If a provision of the Code requires a person to have
31 liability insurance coverage which exceeds the minimum require-
32 ments of this subsection, that provision of the Code supersedes
33 the minimum requirements of this subsection.

34 Sec. 3. Section three hundred twenty-one point twenty
35 (321.20), Code 1979, as the section is amended by Acts of

1 the Sixty-eighth General Assembly, 1979 Session, chapter
2 seventy-one (71), section two (2), is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. Proof of liability insurance coverage.

5 Sec. 4. Section three hundred twenty-one point twenty-
6 four (321.24), Code 1979, is amended by adding the following
7 new unnumbered paragraph:

8 NEW UNNUMBERED PARAGRAPH. Prior to issuing a registra-
9 tion the county treasurer shall verify that the applicant
10 has submitted proof of liability insurance coverage. If proof
11 is not submitted, registration shall not be issued. Proof
12 of insurance is not required for issuance of a certificate
13 of title.

14 Sec. 5. Section three hundred twenty-one point forty-six
15 (321.46), Code 1979, as amended by Acts of the Sixty-eighth
16 General Assembly, 1979 Session, chapter seventy-one (71),
17 section four (4), is amended by adding the following new
18 unnumbered paragraph:

19 NEW UNNUMBERED PARAGRAPH. Prior to issuing a registration
20 the county treasurer shall verify that the applicant has
21 submitted proof of liability insurance coverage. If proof
22 is not submitted, registration shall not be issued. Proof
23 of insurance is not required for issuance of a certificate
24 of title.

25 Sec. 6. Section three hundred twenty-one point forty-seven
26 (321.47), Code 1979, is amended by adding the following new
27 unnumbered paragraph:

28 NEW UNNUMBERED PARAGRAPH. Prior to issuing a registration
29 the county treasurer shall verify that the applicant has sub-
30 mitted proof of liability insurance coverage. If proof is
31 not submitted, registration shall not be issued. Proof of
32 insurance is not required for issuance of a certificate of
33 title.

34 Sec. 7. Section three hundred twenty-one point fifty-one
35 (321.51), Code 1979, is amended by adding the following new

1 subsection:

2 NEW SUBSECTION. Prior to issuing a registration the county
3 treasurer shall verify that the applicant has submitted proof
4 of liability insurance coverage. If proof is not submitted,
5 registration shall not be issued. Proof of insurance is not
6 required for issuance of a certificate of title.

7 Sec. 8. Section three hundred twenty-one point fifty-three
8 (321.53) Code 1979, is amended to read as follows:

9 321.53 NONRESIDENT OWNERS OF PASSENGER VEHICLES AND TRUCKS.
10 A nonresident owner, except as provided in sections 321.54
11 and 321.55, of a private passenger motor vehicle, not operated
12 for hire, may operate or permit the operation of ~~sueh~~ the
13 vehicle within this state without registering ~~sueh~~ the vehicle
14 in, or paying any fees to, this state subject to the condition
15 that ~~sueh~~ the vehicle at all times when operated in this state
16 is duly registered in, and displays upon it a valid
17 registration plate or plates issued for ~~sueh~~ the vehicle in
18 the place of residence of ~~sueh~~ the owner, and subject to the
19 condition that the owner maintains liability insurance
20 coverage. A nonresident who leases a vehicle from a resident
21 owner ~~shall~~ is not be-considered a nonresident owner of ~~sueh~~
22 the vehicle for the purpose of exemption under this section.
23 This section ~~shall-be~~ is operative only to the extent that
24 under the laws of the foreign country, state, territory, or
25 federal district of ~~sueh~~ the nonresident owner's residence,
26 like exemptions and privileges are granted to vehicles
27 registered under the laws, and owned by residents, of this
28 state. A truck, truck tractor, trailer or semitrailer owned
29 by a nonresident and operated on Iowa highways must have
30 displayed upon it a valid registration plate or plates and
31 a valid registration certificate, card, or other official
32 evidence of its allowable weight in the state, district or
33 county in which it is registered.

34 Sec. 9. Section three hundred twenty-one point fifty-nine
35 (321.59), Code 1979, is amended by adding the following new

1 unnumbered paragraph:

2 NEW UNNUMBERED PARAGRAPH. Prior to issuing a certificate
3 and special plates the department shall verify that the
4 applicant has submitted proof of liability insurance coverage.
5 If proof is not submitted, a certificate or special plates
6 shall not be issued.

7 Sec. 10. Section three hundred twenty-one A point one
8 (321A.1), subsection ten (10), Code 1979, is amended to read
9 as follows:

10 10. PROOF OF FINANCIAL RESPONSIBILITY. Proof of ability
11 to respond in damages for liability, on account of accidents
12 occurring subsequent to the effective date of ~~said~~ the proof,
13 arising out of the ownership, maintenance, or use of a motor
14 vehicle, in ~~the amount of ten~~ amounts as follows: With respect
15 to accidents occurring on or after the effective date of this
16 Act, and prior to January 1, 1983, the amount of fifteen
17 thousand dollars because of bodily injury to or death of one
18 person in any one accident, and, subject to ~~said~~ the limit
19 for one person, ~~in~~ the amount of ~~twenty~~ thirty thousand dollars
20 because of bodily injury to or death of two or more persons
21 in any one accident, and ~~in~~ the amount of ~~five~~ ten thousand
22 dollars because of injury to or destruction of property of
23 others in any one accident; and with respect to accidents
24 occurring on or after January 1, 1983, the amount of twenty-
25 five thousand dollars because of bodily injury to or death
26 of one person in any one accident, and, subject to the limit
27 for one person, the amount of fifty thousand dollars because
28 of bodily injury to or death of two or more persons in any
29 one accident, and the amount of twenty-five thousand dollars
30 because of injury to or destruction of property of others
31 in any one accident.

32 Sec. 11. Section three hundred twenty-one A point five
33 (321A.5), subsection three (3), unnumbered paragraph one (1),
34 Code 1979, is amended to read as follows:

35 ~~No such~~ A policy or bond ~~shall be~~ is not effective under

1 this section unless issued by an insurance company or surety
2 company authorized to do business in this state, except that
3 if ~~such~~ the motor vehicle was not registered in this state,
4 or was a motor vehicle which was registered elsewhere than
5 in this state at the effective date of the policy or bond,
6 or the most recent renewal thereof, ~~such~~ the policy or bond
7 ~~shall~~ is not be effective under this section unless the
8 insurance company or surety company if not authorized to do
9 business in this state ~~shall execute~~ executes a power of
10 attorney authorizing the director to accept service on its
11 behalf of notice or process in any action upon ~~such~~ the policy
12 or bond arising out of ~~such~~ the accident, ~~provided, however,~~
13 However, with respect to accidents occurring on or after the
14 effective date of this Act and before January 1, 1983, every
15 such policy or bond is subject, if the accident has resulted
16 in bodily injury or death, to a limit, exclusive of interest
17 and costs, of not less than ~~ten~~ fifteen thousand dollars
18 because of bodily injury to or death of one person in any
19 one accident and, subject to ~~said~~ the limit for one person,
20 to a limit of not less than ~~twenty~~ thirty thousand dollars
21 because of bodily injury to or death of two or more persons
22 in any one accident, and, if the accident has resulted in
23 injury to or destruction of property, to a limit of not less
24 than ~~five~~ ten thousand dollars because of injury to or
25 destruction of property of others in any one accident; and
26 with respect to accidents occurring on or after January 1,
27 1983, every such policy or bond is subject, if the accident
28 has resulted in bodily injury or death, to a limit, exclusive
29 of interest and costs, of not less than twenty-five thousand
30 dollars because of bodily injury to or death of one person
31 in any one accident and, subject to the limit for one person,
32 to a limit of not less than fifty thousand dollars because
33 of bodily injury to or death of two or more persons in any
34 one accident, and, if the accident has resulted in injury
35 to or destruction of property, to a limit of not less than

1 twenty-five thousand dollars because of injury to or
2 destruction of property of others in any one accident.

3 Sec. 12. Section three hundred twenty-one A point fifteen
4 (321A.15), subsection one (1), Code 1979, is amended to read
5 as follows:

6 1. a. Judgments herein referred to in this chapter and
7 rendered upon claims arising from accidents occurring on or
8 after the effective date of this Act and before January 1,
9 1983, shall, for the purpose of this chapter only, be deemed
10 satisfied when the following occur:

11 a- (1) When ~~ten~~ fifteen thousand dollars has been credited
12 upon any judgment or judgments rendered in excess of that
13 amount because of bodily injury to or death of one person
14 as the result of any one accident, -or-

15 b- (2) When, subject to ~~such~~ the limit of ~~ten~~ fifteen
16 thousand dollars because of bodily injury to or death of one
17 person, the sum of ~~twenty~~ thirty thousand dollars has been
18 credited upon any judgment or judgments rendered in excess
19 of that amount because of bodily injury to or death of two
20 or more persons as the result of any one accident, -or-

21 e- (3) When ~~five~~ ten thousand dollars has been credited
22 upon any judgment or judgments rendered in excess of that
23 amount because of injury to or destruction of property of
24 others as a result of any one accident, -or-

25 b. Judgments referred to in this chapter and rendered
26 upon claims arising from accidents occurring on or after
27 January 1, 1983, shall, for the purpose of this chapter only,
28 be deemed satisfied when the following occur:

29 (1) When twenty-five thousand dollars has been credited
30 upon any judgment or judgments rendered in excess of that
31 amount because of bodily injury to or death of one person
32 as the result of any one accident.

33 (2) When, subject to the limit of twenty-five thousand
34 dollars because of bodily injury to or death of one person,
35 the sum of fifty thousand dollars has been credited upon any

1 judgment or judgments rendered in excess of that amount because
2 of bodily injury to or death of two or more persons as the
3 result of any one accident.

4 (3) When twenty-five thousand dollars has been credited
5 upon any judgment or judgments rendered in excess of that
6 amount because of injury to or destruction of property of
7 others as a result of any one accident.

8 Sec. 13. Section three hundred twenty-one A point twenty-
9 one (321A.21), subsection two (2), paragraph b, Code 1979,
10 is amended to read as follows:

11 b. Shall insure the person named ~~therein~~ in the policy
12 and any other person, as insured, using ~~any such motor vehicle~~
13 ~~or the~~ motor vehicles with the express or implied permission
14 of such the named insured, against loss from the liability
15 imposed by law for damages arising out of the ownership,
16 maintenance, or use of such motor vehicle or the 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
19 to each such motor vehicle, as follows: ~~For~~ With respect
20 to all accidents which occur on or after the effective date
21 of this Act and before January 1, 1983, fifteen thousand
22 dollars because of bodily injury to or death of one person
23 in any one accident and, subject to said limit for one person,
24 twenty thirty thousand dollars because of bodily injury to
25 or death of two or more persons in any one accident, and five
26 ten thousand dollars because of injury to or destruction of
27 property of others in any one accident; and with respect to
28 all accidents which occur on or after January 1, 1983, twenty-
29 five thousand dollars because of bodily injury to or death
30 of one person in any one accident and, subject to said limit
31 for one person, fifty thousand dollars because of bodily
32 injury to or death of two or more persons in any one accident,
33 and twenty-five thousand dollars because of injury to or
34 destruction of property of others in any one accident.

35 Sec. 14. Section three hundred twenty-one A point twenty-

1 five (321A.25), subsection one (1), Code 1979, is amended
2 to read as follows:

3 1. Proof With respect to accidents occurring on or after
4 the effective date of this Act and before January 1, 1983,
5 proof of financial responsibility may be evidenced by the
6 certificate of the state treasurer that the person named
7 therein in the certificate has deposited with him-twenty-five
8 the treasurer forty thousand dollars in cash, or securities
9 such as may legally be purchased by a state bank or for trust
10 funds of a market value of twenty-five forty thousand dollars;
11 and with respect to accidents occurring on or after January
12 1, 1983, proof of financial responsibility may be evidenced
13 by the certificate of the state treasurer that the person
14 named in the certificate has deposited with the treasurer
15 seventy-five thousand dollars in cash, or securities such
16 as may legally be purchased by a state bank or for trust funds
17 of a market value of seventy-five thousand dollars. The state
18 treasurer shall not accept ~~any-such~~ a deposit and issue a
19 certificate ~~therefor~~ for it and the director shall not accept
20 ~~such~~ the certificate unless accompanied by evidence that there
21 are no unsatisfied judgments of any character against the
22 depositor in the county where the depositor resides.

23 Sec. 15. Section three hundred twenty-one A point thirty-
24 six (321A.36), Code 1979, is amended by adding the following
25 new unnumbered paragraph:

26 NEW UNNUMBERED PARAGRAPH. Nothing contained in this chap-
27 ter is amended, superseded, or repealed by the provisions
28 of chapter three hundred twenty-one (321) of the Code which
29 require the maintenance of liability insurance coverage and
30 the submission of proof of liability insurance coverage as
31 a condition precedent to the issuance of registration or
32 registration plates for a motor vehicle.

33 Sec. 16. Section five hundred sixteen A point one (516A.1),
34 Code 1979, is amended to read as follows:

35 516A.1 COVERAGE INCLUDED IN EVERY LIABILITY POLICY--

1 REJECTION BY INSURED. No automobile liability or motor vehicle
2 liability insurance policy insuring against liability for
3 bodily injury or death arising out of the ownership,
4 maintenance, or use of a motor vehicle shall be delivered
5 or issued for delivery in this state with respect to any motor
6 vehicle registered or principally garaged in this state,
7 unless coverage is provided in such policy or supplemental
8 thereto, for the protection of persons insured under such
9 policy who are legally entitled to recover damages from the
10 owner or operator of an uninsured motor vehicle or a hit-and-
11 run motor vehicle because of bodily injury, sickness, or
12 disease, including death resulting therefrom, or property
13 damage to the insured motor vehicle caused by accident and
14 arising out of the ownership, maintenance, or use of such
15 uninsured motor vehicle, or arising out of physical contact
16 of such hit-and-run motor vehicle with the person insured
17 or with the insured motor vehicle or with a motor vehicle
18 which the person insured is occupying at the time of the
19 accident. Such coverage shall include limits for bodily
20 injury or death and for damage to property at least equal
21 to those stated in subsection 10 of section 321A.1. The form
22 and provisions of such coverage shall be examined and approved
23 by the commissioner of insurance.

24 However, the named insured shall have the right to reject
25 such coverage by written rejections signed by the named
26 insured. If such rejection is made on a form or document
27 furnished by an insurance company or insurance agent, it shall
28 be on a separate sheet of paper which contains only such
29 rejection and information directly related thereto. Such
30 coverage need not be provided in or supplemental to a renewal
31 policy where the named insured has rejected such coverage
32 in connection with a policy previously issued to him by the
33 same insurer.

34 Sec. 17. Section five hundred sixteen A point two (516A.2),
35 Code 1979, is amended to read as follows:

1 516A.2 CONSTRUCTION--MINIMUM COVERAGE. Nothing contained
2 in this chapter shall be construed as requiring forms of
3 coverage provided pursuant hereto, whether alone or in
4 combination with similar coverage afforded under other
5 automobile liability or motor vehicle liability policies,
6 to afford limits in excess of those that would be afforded
7 had the insured thereunder been involved in an accident with
8 a motorist who was insured under a policy of liability
9 insurance with the minimum limits ~~for bodily injury or death~~
10 prescribed in subsection 10 of section 321A.1. Such forms
11 of coverage may include terms, exclusions, limitations,
12 conditions, and offsets which are designed to avoid duplication
13 of insurance or other benefits.

14 Sec. 18. Section five hundred sixteen A point four
15 (516A.4), Code 1979, is amended to read as follows:

16 516A.4 INSURER MAKING PAYMENT--REIMBURSEMENT. In the
17 event of payment to any person under the coverage required
18 by this chapter and subject to the terms and conditions of
19 such coverage, the insurer making such payment shall, to the
20 extent thereof, be entitled to the proceeds of any settlement
21 or judgment resulting from the exercise of any rights of
22 recovery of such person against any person or organization
23 legally responsible for the bodily injury or property damage,
24 or both, for which such payment is made, including the proceeds
25 recoverable from the assets of the insolvent insurer. The
26 person to whom said payment is made under the insolvency
27 protection required by this chapter shall to the extent
28 thereof, be deemed to have waived any right to proceed to
29 enforce such a judgment against the assets of the judgment
30 debtor who was insured by the insolvent insurer whose
31 insolvency resulted in said payment being made, other than
32 assets recovered or recoverable by such judgment debtor from
33 such insolvent insurer.

34 Sec. 19. This Act takes effect January first following
35 its enactment.

1 Sec. 20. Sections sixteen (16), seventeen (17) and eighteen
2 (18) of this Act apply only to policies of insurance issued
3 or renewed on or after the effective date of this Act.

4 EXPLANATION

5 This bill relates to liability insurance for the opera-
6 tion of automobiles and other motor vehicles.

7 Sections 1 through 9 of this bill provide that a person
8 must maintain liability insurance coverage as a condition
9 of operating a motor vehicle in this state, and must submit
10 proof of the existence of liability insurance coverage as
11 a condition precedent to obtaining registration or registration
12 plates for any motor vehicle registrable under chapter 321
13 of the Code. The insurance would have to be issued by an
14 insurance carrier authorized to transact insurance in this
15 state, and would have to insure the insured and any person
16 operating an insured motor vehicle with the express or implied
17 consent of the insured against loss through legal liability
18 for damages arising from the ownership, operation or
19 maintenance of the motor vehicle. The coverage would have
20 to be applicable throughout the United States and Canada.
21 The minimum amounts of coverage would have to be at least
22 \$15,000 for each person injured or killed in an accident,
23 and at least \$30,000 for all persons injured or killed in
24 any one accident, and \$10,000 from all damage to the property
25 of others in any one accident, provided that commencing January
26 1, 1983, these minimum limits are increased to at least \$25,000
27 for each person injured or killed in an accident, and \$50,000
28 for all persons injured or killed in an accident, and \$25,000
29 for property damage. Sections 1 through 9 of the bill would
30 take effect January first following enactment, and would apply
31 to each application for registration which is submitted on
32 or after that date.

33 Sections 10 through 15 of the bill amend chapter 321A of
34 the Code, relating to the filing of proof of financial respon-
35 sibility after an at-fault accident to increase the minimum

1 financial requirements in that chapter to the same levels
2 as indicated in the preceding paragraph. Chapter 321A of
3 the Code would continue to apply in the event of an accident.

4 Sections 16, 17 and 18 of the bill amend chapter 516A of
5 the Code which require liability insurance carriers to offer
6 first party uninsured motorist coverage as an optional coverage
7 on all liability insurance policies. The amendments would
8 require the insurer to offer protection against property
9 damage as well as personal injury protection. The minimum
10 levels of such optional coverage are the same as the amounts
11 required under chapter 321A of the Code. Sections 16 through
12 18 would apply only to policies issued or renewed after the
13 effective date of the bill.

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SENATE FILE 2337

S-5540

- 1 Amend amendment S-5448 to Senate File 2337 as
- 2 follows:
- 3 1. By inserting after line 13 the following:
- 4 "____. Page 10, line 19, by striking the word
- 5 "Such" and inserting in lieu thereof the words "Such
- 6 Both the uninsured motor vehicle or hit-and-run motor
- 7 vehicle coverage, and the underinsured motor vehicle".
- 8 2. By striking lines 21 and 22 and inserting in
- 9 lieu thereof the following:
- 10 "____. Page 11, line 1, by striking the word
- 11 "Nothing" and inserting in lieu thereof the words
- 12 "Nothing Except with respect to a policy containing
- 13 both underinsured motor vehicle coverage and uninsured
- 14 or hit-and-run motor vehicle coverage, nothing".
- 15 _____. Page 11, by striking line 9 and inserting
- 16 in lieu thereof the words "insurance with the minimum
- 17 limits for bodily injury or death".
- 18 _____. Page 11, by striking lines 14 through 33."
- 19 3. By striking lines 23 through 27 and inserting
- 20 in lieu thereof the following:
- 21 "____. Page 12, by striking lines 1 through 3 and
- 22 inserting in lieu thereof the following:
- 23 "Sec. _____. Sections sixteen (16) and seventeen
- 24 (17) of this Act apply only to policies of insurance
- 25 issued or renewed on or after the effective date of
- 26 this Act."

S-5540 FILED
MARCH 26, 1980

BY BOB RUSH

Adopted 3/27/80

SENATE FILE 2337

S-5437

- 1 Amend Senate File 2337 as follows:
 2 1. By striking page 1, line 1 through page 5,
 3 line 6.
 4 2. By striking page 9, line 23 through page 12,
 5 line 3.

S-5437 FILED
 MARCH 19, 1980

BY LUCAS J. DE KOSTER

Revised out of order 3/20 (p. 986)

SENATE FILE 2337

S-5448

- Amend Senate File 2337 as follows:
 1 1. By striking page 1, line 1 through page 5, line
 2 6.
 3 2. Page 9, by striking lines 23 through 32.
 4 3. Page 10, line 11, by inserting after the word
 5 "vehicle" the words "or an underinsured motor vehicle".
 6 4. Page 10, line 12, by striking the words "or
 7 property".
 8 5. Page 10, line 13, by striking the words "damage
 9 to the insured motor vehicle".
 10 6. Page 10, line 15, by inserting after the word
 11 "uninsured" the words "or underinsured".
 12 7. Page 10, line 17, by striking the words "or
 13 with the insured motor vehicle".
 14 8. Page 10, line 20, by striking the words "and
 15 for damage to property".
 16 9. Page 10, line 25, by striking the words "such
 17 coverage" and inserting in lieu thereof the words
 18 "all of such coverage, or to reject the uninsured
 19 motor vehicle or hit-and-run motor vehicle coverage,
 20 or to reject the underinsured motor vehicle coverage,"
 21 10. By striking page 10, line 34 through page 11,
 22 line 33.
 23 11. Page 12, lines 1 and 2, by striking the words
 24 and figures "Sections sixteen (16), seventeen (17) and
 25 eighteen (18) of this Act apply" and inserting in lieu
 26 thereof the words and figure "Section sixteen (16) of
 27 this Act applies".

S-5448 FILED
 MARCH 19, 1980

BY BOB RUSH
 EDGAR H. HOLDEN

Adopted 3/20 (p. 986)
Revised out of order 3/20 (p. 986)
 SENATE FILE 2337

S-5478

- 1 Amend Senate File 2337 as follows:
 2 1. Title page, by striking lines 1 through 4
 3 and inserting in lieu thereof the following: "An
 4 Act relating to the increase in financial requirements
 5 for auto liability insurance policies."

S-5478 FILED
 MARCH 20, 1980
 ADOPTED (p. 986)

BY BOB RUSH

* 1 Section 1. Section three hundred twenty-one A point one
2 (321A.1), subsection ten (10), Code 1979, is amended to read
3 as follows:

322.4 4 10. PROOF OF FINANCIAL RESPONSIBILITY. Proof of ability
5 to respond in damages for liability, on account of accidents
6 occurring subsequent to the effective date of ~~said~~ the proof,
7 arising out of the ownership, maintenance, or use of a motor
8 vehicle, in ~~the-amount-of-ten~~ amounts as follows: With respect
9 to accidents occurring on or after the effective date of this
10 Act, and prior to January 1, 1983, the amount of fifteen
11 thousand dollars because of bodily injury to or death of one
12 person in any one accident, and, subject to ~~said~~ the limit
13 for one person, ~~in~~ the amount of twenty thirty thousand dollars
14 because of bodily injury to or death of two or more persons
15 in any one accident, and ~~in~~ the amount of five ten thousand
16 dollars because of injury to or destruction of property of
17 others in any one accident; and with respect to accidents
18 occurring on or after January 1, 1983, the amount of twenty-
19 five thousand dollars because of bodily injury to or death
20 of one person in any one accident, and, subject to the limit
21 for one person, the amount of fifty thousand dollars because
22 of bodily injury to or death of two or more persons in any
23 one accident, and the amount of twenty-five thousand dollars
24 because of injury to or destruction of property of others
25 in any one accident.

26 Sec. 2. Section three hundred twenty-one A point five
27 (321A.5), subsection three (3), unnumbered paragraph one (1),
28 Code 1979, is amended to read as follows:

29 ~~Ne-sueh~~ A policy or bond ~~shall-be~~ is not effective under
30 this section unless issued by an insurance company or surety
31 company authorized to do business in this state, except that
32 if ~~sueh~~ the motor vehicle was not registered in this state,
33 or was a motor vehicle which was registered elsewhere than
34 in this state at the effective date of the policy or bond,
35 or the most recent renewal thereof, ~~sueh~~ the policy or bond

1 ~~shall~~ is not be effective under this section unless the
2 insurance company or surety company if not authorized to do
3 business in this state ~~shall-execute~~ executes a power of
4 attorney authorizing the director to accept service on its
5 behalf of notice or process in any action upon ~~such~~ the policy
6 or bond arising out of ~~such~~ the accident; ~~provided, however,~~
7 However, with respect to accidents occurring on or after the
8 effective date of this Act and before January 1, 1983, every
9 such policy or bond is subject, if the accident has resulted
10 in bodily injury or death, to a limit, exclusive of interest
11 and costs, of not less than ~~ten~~ fifteen thousand dollars
12 because of bodily injury to or death of one person in any
13 one accident and, subject to ~~said~~ the limit for one person,
14 to a limit of not less than ~~twenty~~ thirty thousand dollars
15 because of bodily injury to or death of two or more persons
16 in any one accident, and, if the accident has resulted in
17 injury to or destruction of property, to a limit of not less
18 than ~~five~~ ten thousand dollars because of injury to or
19 destruction of property of others in any one accident; and
20 with respect to accidents occurring on or after January 1,
21 1983, every such policy or bond is subject, if the accident
22 has resulted in bodily injury or death, to a limit, exclusive
23 of interest and costs, of not less than twenty-five thousand
24 dollars because of bodily injury to or death of one person
25 in any one accident and, subject to the limit for one person,
26 to a limit of not less than fifty thousand dollars because
27 of bodily injury to or death of two or more persons in any
28 one accident, and, if the accident has resulted in injury
29 to or destruction of property, to a limit of not less than
30 twenty-five thousand dollars because of injury to or
31 destruction of property of others in any one accident.

32 Sec. 3. Section three hundred twenty-one A point fifteen
33 (321A.15), subsection one (1), Code 1979, is amended to read
34 as follows:

35 1. a. Judgments ~~herein~~ referred to in this chapter and

1 rendered upon claims arising from accidents occurring on or
2 after the effective date of this Act and before January 1,
3 1983, shall, for the purpose of this chapter only, be deemed
4 satisfied when the following occur:

5 a- (1) When ~~ten~~ fifteen thousand dollars has been credited
6 upon any judgment or judgments rendered in excess of that
7 amount because of bodily injury to or death of one person
8 as the result of any one accident~~,-or~~.

9 b- (2) When, subject to ~~such~~ the limit of ~~ten~~ fifteen
10 thousand dollars because of bodily injury to or death of one
11 person, the sum of ~~twenty~~ thirty thousand dollars has been
12 credited upon any judgment or judgments rendered in excess
13 of that amount because of bodily injury to or death of two
14 or more persons as the result of any one accident~~,-or~~.

15 e- (3) When ~~five~~ ten thousand dollars has been credited
16 upon any judgment or judgments rendered in excess of that
17 amount because of injury to or destruction of property of
18 others as a result of any one accident~~,-or~~.

19 b. Judgments referred to in this chapter and rendered
20 upon claims arising from accidents occurring on or after
21 January 1, 1983, shall, for the purpose of this chapter only,
22 be deemed satisfied when the following occur:

23 (1) When ~~twenty-five~~ twenty-five thousand dollars has been credited
24 upon any judgment or judgments rendered in excess of that
25 amount because of bodily injury to or death of one person
26 as the result of any one accident.

27 (2) When, subject to the limit of ~~twenty-five~~ twenty-five thousand
28 dollars because of bodily injury to or death of one person,
29 the sum of ~~fifty~~ fifty thousand dollars has been credited upon any
30 judgment or judgments rendered in excess of that amount because
31 of bodily injury to or death of two or more persons as the
32 result of any one accident.

33 (3) When ~~twenty-five~~ twenty-five thousand dollars has been credited
34 upon any judgment or judgments rendered in excess of that
35 amount because of injury to or destruction of property of

1 others as a result of any one accident.

2 Sec. 4. Section three hundred twenty-one A point twenty-
3 one (321A.21), subsection two (2), paragraph b, Code 1979,
4 is amended to read as follows:

5 b. Shall insure the person named ~~therein~~ in the policy
6 and any other person, as insured, using ~~any such motor vehicle~~
7 ~~or~~ the motor vehicles with the express or implied permission
8 of ~~such~~ the named insured, against loss from the liability
9 imposed by law for damages arising out of the ownership,
10 maintenance, or use of ~~such motor vehicle or~~ the motor vehicles
11 within the United States of America or the Dominion of Canada,
12 subject to limits exclusive of interest and costs, with respect
13 to each such motor vehicle, as follows: ~~Pen~~ With respect
14 to all accidents which occur on or after the effective date
15 of this Act and before January 1, 1983, fifteen thousand
16 dollars because of bodily injury to or death of one person
17 in any one accident and, subject to said limit for one person,
18 twenty thirty thousand dollars because of bodily injury to
19 or death of two or more persons in any one accident, and five
20 ten thousand dollars because of injury to or destruction of
21 property of others in any one accident; and with respect to
22 all accidents which occur on or after January 1, 1983, twenty-
23 five thousand dollars because of bodily injury to or death
24 of one person in any one accident and, subject to said limit
25 for one person, fifty thousand dollars because of bodily
26 injury to or death of two or more persons in any one accident,
27 and twenty-five thousand dollars because of injury to or
28 destruction of property of others in any one accident.

29 Sec. 5. Section three hundred twenty-one A point twenty-
30 five (321A.25), subsection one (1), Code 1979, is amended
31 to read as follows:

32 1. ~~Proof~~ With respect to accidents occurring on or after
33 the effective date of this Act and before January 1, 1983,
34 proof of financial responsibility may be evidenced by the
35 certificate of the state treasurer that the person named

1 ~~therein~~ in the certificate has deposited with ~~him~~-~~twenty-five~~
2 the treasurer forty thousand dollars in cash, or securities
3 such as may legally be purchased by a state bank or for trust
4 funds of a market value of ~~twenty-five~~ forty thousand dollars;
5 and with respect to accidents occurring on or after January
6 1, 1983, proof of financial responsibility may be evidenced
7 by the certificate of the state treasurer that the person
8 named in the certificate has deposited with the treasurer
9 seventy-five thousand dollars in cash, or securities such
10 as may legally be purchased by a state bank or for trust funds
11 of a market value of seventy-five thousand dollars. The state
12 treasurer shall not accept ~~any-such~~ a deposit and issue a
13 certificate ~~therefor~~ for it and the director shall not accept
14 ~~such~~ the certificate unless accompanied by evidence that there
15 are no unsatisfied judgments of any character against the
16 depositor in the county where the depositor resides.

17 Sec. 6. Section five hundred sixteen A point one (516A.1),
18 Code 1979, is amended to read as follows:

* 19 516A.1 COVERAGE INCLUDED IN EVERY LIABILITY POLICY--
20 REJECTION BY INSURED. No automobile liability or motor vehicle
21 liability insurance policy insuring against liability for
22 bodily injury or death arising out of the ownership,
23 maintenance, or use of a motor vehicle shall be delivered
24 or issued for delivery in this state with respect to any motor
25 vehicle registered or principally garaged in this state,
26 unless coverage is provided in such policy or supplemental
27 thereto, for the protection of persons insured under such
28 policy who are legally entitled to recover damages from the
29 owner or operator of an uninsured motor vehicle or a hit-and-
30 run motor vehicle or an underinsured motor vehicle because
31 of bodily injury, ~~sickness, or disease, including death~~
* 32 resulting therefrom, caused by accident and arising out of
33 the ownership, maintenance, or use of such uninsured or
34 underinsured motor vehicle, or arising out of physical contact
* 35 of such ~~hit-and-run~~ motor vehicle with the person insured

1 or with a motor vehicle which the person insured is occupying
2 at the time of the accident. Such Both the uninsured motor
3 vehicle or hit-and-run motor vehicle coverage, and the
4 underinsured motor vehicle coverage shall include limits for
5 bodily injury or death at least equal to those stated in
6 subsection 10 of section 321A.1. The form and provisions
7 of such coverage shall be examined and approved by the
8 commissioner of insurance.

9 However, the named insured shall have the right to reject
10 all of such coverage, or to reject the uninsured motor vehicle
11 or hit-and-run motor vehicle coverage, or to reject the
12 underinsured motor vehicle coverage, by written rejections
13 signed by the named insured. If such rejection is made on
14 a form or document furnished by an insurance company or
15 insurance agent, it shall be on a separate sheet of paper
16 which contains only such rejection and information directly
17 related thereto. Such coverage need not be provided in or
18 supplemental to a renewal policy where the named insured has
19 rejected such coverage in connection with a policy previously
20 issued to him by the same insurer.

21 Sec. 7. Section five hundred sixteen A point two (516A.2),
22 Code 1979, is amended to read as follows:

23 516A.2 CONSTRUCTION--MINIMUM COVERAGE. Nothing Except
24 with respect to a policy containing both underinsured motor
25 vehicle coverage and uninsured or hit-and-run motor vehicle
26 coverage, nothing contained in this chapter shall be construed
27 as requiring forms of coverage provided pursuant hereto,
28 whether alone or in combination with similar coverage afforded
29 under other automobile liability or motor vehicle liability
30 policies, to afford limits in excess of those that would be
31 afforded had the insured thereunder been involved in an
32 accident with a motorist who was insured under a policy of
33 liability insurance with the minimum limits for bodily injury
34 or death prescribed in subsection 10 of section 321A.1. Such
35 forms of coverage may include terms, exclusions, limitations,

1 conditions, and offsets which are designed to avoid duplication
2 of insurance or other benefits.

* 3 Sec. 8. This Act takes effect January first following
4 its enactment.

5 Sec. 9. Sections six (6) and seven (7) of this Act apply
6 only to policies of insurance issued or renewed on or after
7 the effective date of this Act.

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SENATE FILE 2337
FISCAL NOTE

REQUESTED BY SENATOR HANSEN, MARCH 17, 1980

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 2337 pursuant to Joint Rule 16.

Senate File 2337, An Act relating to the financial responsibility requirements for and liability insurance policies relating to the operation and registration of motor vehicles in this state, and providing a penalty.

Adding underinsured motorist coverage is difficult to estimate due to unknown factors such as number of people that would buy, limits selected and premium charged.

Estimated tax revenue increase: \$93,428 Annually

SOURCE: IOWA INSURANCE COMMISSIONER
RECEIVED BY THE SECRETARY OF THE SENATE, APRIL 8, 1980

FILED:
APRIL 10, 1980

BY GERRY RANKIN, DIRECTOR
LEGISLATIVE FISCAL BUREAU

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SENATE FILE 2337

H-5872

1 Amend Senate File 2337 as amended, passed and
2 reprinted by the Senate, as follows:

3 1. Page 1, by striking lines 8 through 10 and
4 inserting in lieu thereof the words "vehicle, in the
5 amount of ~~ten~~ fifteen".

6 2. Page 1, by striking lines 17 through 25 and
7 inserting in lieu thereof the words "others in any
8 one accident."

9 3. Page 2, by striking lines 6 through 8 and
10 inserting in lieu thereof the words "or bond arising
11 out of ~~such~~ the accident; provided, however, every".

12 4. Page 2, by striking lines 19 through 31 and
13 inserting in lieu thereof the words "destruction of
14 property of others in any one accident."

15 5. By striking page 2, line 35 through page 3,
16 line 3, and inserting in lieu thereof the following:

17 "1. Judgments ~~herein~~ referred to in this chapter
18 shall, for the purpose of this chapter only, be
19 deemed".

20 6. Page 3, line 5, by striking the letter and
21 numeral "a- (1)" and inserting in lieu thereof the
22 letter "a."

23 7. Page 3, line 9, by striking the letter and
24 numeral "b- (2)" and inserting in lieu thereof the
25 letter "b."

26 8. Page 3, line 15, by striking the letter and
27 numeral "e- (3)" and inserting in lieu thereof the
28 letter "c."

29 9. By striking page 3, line 19 through page 4,
30 line 1.

31 10. Page 4, by striking lines 13 through 15 and
32 inserting in lieu thereof the words "to each such
33 motor vehicle, as follows: ~~ten~~ fifteen thousand".

34 11. Page 4, by striking lines 21 through 28 and
35 inserting in lieu thereof the words "property of
36 others in any one accident."

37 12. Page 4, by striking lines 32 through 34 and
38 inserting in lieu thereof the following:

39 "1. Proof of financial responsibility may be
40 evidenced by the".

41 13. Page 5, by striking lines 4 through 11 and
42 inserting in lieu thereof the words "funds of a market
43 value of ~~twenty-five~~ forty thousand dollars. The
44 state".

45 14. By striking page 5, line 17 through page 7,
46 line 2.

47 15. Page 7, by striking lines 5 through 7.

48 16. By renumbering sections.

HOUSE AMENDMENT TO SENATE FILE 2337

S-5699

- 1 Amend Senate File 2337 as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, by striking lines 8 through 10 and
- 4 inserting in lieu thereof the words "vehicle, in the
- 5 amount of ~~ten~~ fifteen".
- 6 2. Page 1, by striking lines 17 through 25 and
- 7 inserting in lieu thereof the words "others in any
- 8 one accident."
- 9 3. Page 2, by striking lines 6 through 8 and
- 10 inserting in lieu thereof the words "or bond arising
- 11 out of ~~such~~ the accident; provided, however, every".
- 12 4. Page 2, by striking lines 19 through 31 and
- 13 inserting in lieu thereof the words "destruction of
- 14 property of others in any one accident."
- 15 5. By striking page 2, line 35 through page 3,
- 16 line 3, and inserting in lieu thereof the following:
- 17 "1. Judgments ~~herein~~ referred to in this chapter
- 18 shall, for the purpose of this chapter only, be
- 19 deemed".
- 20 6. Page 3, line 5, by striking the letter and
- 21 numeral "~~a~~ (1)" and inserting in lieu thereof the
- 22 letter "a".
- 23 7. Page 3, line 9, by striking the letter and
- 24 numeral "~~b~~ (2)" and inserting in lieu thereof the
- 25 letter "b".
- 26 8. Page 3, line 15, by striking the letter and
- 27 numeral "~~e~~ (3)" and inserting in lieu thereof the
- 28 letter "c".
- 29 9. By striking page 3, line 19 through page 4,
- 30 line 1.
- 31 10. Page 4, by striking lines 13 through 15 and
- 32 inserting in lieu thereof the words "to each such
- 33 motor vehicle, as follows: ~~ten~~ fifteen thousand".
- 34 11. Page 4, by striking lines 21 through 28 and
- 35 inserting in lieu thereof the words "property of
- 36 others in any one accident."
- 37 12. Page 4, by striking lines 32 through 34 and
- 38 inserting in lieu thereof the following:
- 39 "1. Proof of financial responsibility may be
- 40 evidenced by the".
- 41 13. Page 5, by striking lines 4 through 11 and
- 42 inserting in lieu thereof the words "funds of a market
- 43 value of ~~twenty-five~~ forty thousand dollars. The
- 44 state".
- 45 14. By renumbering sections.

S-5699 FILED
APRIL 10, 1980

RECEIVED FROM THE HOUSE

*Senate referred to committee on 4/10/80
House 5/1 + 5/2/80*

REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 2337

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the Conference Committee appointed to consider the differences between the House and the Senate on Senate File 2337, a bill for an Act relating to the increase in financial requirements for auto liability insurance policies, respectfully make the following report:

1. That the House recede from its amendment S-5699 to Senate File 2337 as amended, passed and reprinted by the Senate.

2. That Senate File 2337, as amended, passed and reprinted by the Senate be amended as follows:

1. Page 1, by striking lines 18 through 23 and inserting in lieu thereof the words "occurring on or after January 1, 1983, the amount of twenty thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to the limit for one person, the amount of forty thousand dollars because of¹ bodily injury to or death of two or more persons in any one accident, and the amount of fifteen thousand dollars".

2. Page 2, by striking lines 23 through 30 and inserting in lieu thereof the words "of interest and costs, of not less than twenty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, to a limit of not less than forty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than fifteen thousand dollars because of injury to or".

3. Page 3, by striking lines 23 through 33 and inserting in lieu thereof the following:

"(1) When twenty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident.

(2) When, subject to the limit of twenty thousand dollars because of bodily injury to or death of one person, the sum of forty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident.

(3) When fifteen thousand dollars has been credited".

4. Page 4, by striking lines 22 through 27 and inserting in lieu thereof the words "all accidents which occur on or after January 1, 1983, twenty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, forty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and fifteen thousand dollars because of injury to or".

5. Page 5, by striking lines 9 through 11 and inserting REPORT OF THE CONFERENCE COMMITTEE ON S.F. 2337 - PAGE 3

in lieu thereof the words "fifty-five thousand dollars in cash, or securities such as may legally be purchased by a state bank or for trust funds of a market value of fifty-five thousand dollars. The state".

ON THE PART OF THE SENATE:

BOB RUSH, CHAIRPERSON
EDGAR H. HOLDEN
ROLF V. CRAFT
IRVIN L. BERGMAN
BOB CARR

ON THE PART OF THE HOUSE:

LAVERN W. SCHROEDER, CHAIRPERSON
ARLO HULLINGER
HUGO SCHNEKLOTH
SEMOR C. TOFTE
JACK E. WOODS

Senate adopted 4/25 (p. 1746)

House adopted 4/25 (p. 1745)

SENATE FILE 2337

AN ACT

RELATING TO THE INCREASE IN FINANCIAL REQUIREMENTS FOR AUTO
LIABILITY INSURANCE POLICIES.

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

Section 1. Section three hundred twenty-one A point one (321A.1), subsection ten (10), Code 1979, is amended to read as follows:

10. PROOF OF FINANCIAL RESPONSIBILITY. Proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of ~~said the~~ proof, arising out of the ownership, maintenance, or use of a motor vehicle, ~~in the amount of ten amounts as follows:~~ With respect to accidents occurring on or after the effective date of this Act, and prior to January 1, 1983, the amount of fifteen thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to said the limit for one person, in the amount of twenty thirty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and in the amount of five ten thousand dollars because of injury to or destruction of property of others in any one accident; and with respect to accidents occurring on or after January 1, 1983, the amount of twenty thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to the limit for one person, the amount of forty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and the amount of fifteen thousand dollars because of injury to or destruction of property of others in any one accident.

Sec. 2. Section three hundred twenty-one A point five (321A.5), subsection three (3), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

~~No such~~ A policy or bond ~~shall be~~ is not effective under this section unless issued by an insurance company or surety company authorized to do business in this state, except that if ~~such the~~ motor vehicle was not registered in this state, or was a motor vehicle which was registered elsewhere than in this state at the effective date of the policy or bond, or the most recent renewal thereof, ~~such the~~ policy or bond ~~shall is not be~~ effective under this section unless the insurance company or surety company if not authorized to do business in this state ~~shall execute~~ executes a power of attorney authorizing the director to accept service on its behalf of notice or process in any action upon ~~such the~~ policy or bond arising out of ~~such the~~ accident, ~~provided, however,~~ However, with respect to accidents occurring on or after the effective date of this Act and before January 1, 1983, every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than ten fifteen thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said the limit for one person, to a limit of not less than twenty thirty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than five ten thousand dollars because of injury to or destruction of property of others in any one accident; and with respect to accidents occurring on or after January 1, 1983, every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than twenty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, to a limit of not less than forty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than fifteen

thousand dollars because of injury to or destruction of property of others in any one accident.

Sec. 3. Section three hundred twenty-one A point fifteen (321A.15), subsection one (1), Code 1979, is amended to read as follows:

1. a. Judgments herein referred to in this chapter and rendered upon claims arising from accidents occurring on or after the effective date of this Act and before January 1, 1983, shall, for the purpose of this chapter only, be deemed satisfied when the following occur:

a. (1) When ten fifteen thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident--or.

b. (2) When, subject to such the limit of ten fifteen thousand dollars because of bodily injury to or death of one person, the sum of twenty thirty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident--or.

c. (3) When five ten thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

b. Judgments referred to in this chapter and rendered upon claims arising from accidents occurring on or after January 1, 1983, shall, for the purpose of this chapter only, be deemed satisfied when the following occur:

(1) When twenty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident.

(2) When, subject to the limit of twenty thousand dollars because of bodily injury to or death of one person, the sum of forty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of

bodily injury to or death of two or more persons as the result of any one accident.

(3) When fifteen thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

Sec. 4. Section three hundred twenty-one A point twenty-one (321A.21), subsection two (2), paragraph b. Code 1979, is amended to read as follows:

b. Shall insure the person named therein in the policy and any other person, as insured, using any-such-motor-vehicle or the motor vehicles with the express or implied permission of such the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of such-motor-vehicle-or the motor vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such motor vehicle, as follows: Ten With respect to all accidents which occur on or after the effective date of this Act and before January 1, 1983, fifteen thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, twenty thirty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and five ten thousand dollars because of injury to or destruction of property of others in any one accident; and with respect to all accidents which occur on or after January 1, 1983, twenty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, forty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and fifteen thousand dollars because of injury to or destruction of property of others in any one accident.

Sec. 5. Section three hundred twenty-one A point twenty-five (321A.25), subsection one (1), Code 1979, is amended to read as follows:

1. Proof with respect to accidents occurring on or after the effective date of this Act and before January 1, 1983, proof of financial responsibility may be evidenced by the certificate of the state treasurer that the person named therein in the certificate has deposited with him twenty-five thousand dollars in cash, or securities such as may legally be purchased by a state bank or for trust funds of a market value of twenty-five thousand dollars; and with respect to accidents occurring on or after January 1, 1983, proof of financial responsibility may be evidenced by the certificate of the state treasurer that the person named in the certificate has deposited with the treasurer fifty-five thousand dollars in cash, or securities such as may legally be purchased by a state bank or for trust funds of a market value of fifty-five thousand dollars. The state treasurer shall not accept ~~any such~~ a deposit and issue a certificate ~~therefor for it~~ and the director shall not accept ~~such~~ the certificate unless accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the county where the depositor resides.

Sec. 6. Section five hundred sixteen A point one (516A.1), Code 1979, is amended to read as follows:

516A.1 COVERAGE INCLUDED IN EVERY LIABILITY POLICY--REJECTION BY INSURED. No automobile liability or motor vehicle liability insurance policy insuring against liability for bodily injury or death arising out of the ownership, maintenance, or use of a motor vehicle shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state, unless coverage is provided in such policy or supplemental thereto, for the protection of persons insured under such policy who are legally entitled to recover damages from the owner or operator of an uninsured motor vehicle or a hit-and-run motor vehicle or an underinsured motor vehicle because of bodily injury, sickness, or disease, including death resulting therefrom, caused by accident and arising out of

the ownership, maintenance, or use of such uninsured or underinsured motor vehicle, or arising out of physical contact of such hit-and-run motor vehicle with the person insured or with a motor vehicle which the person insured is occupying at the time of the accident. ~~Such~~ Both the uninsured motor vehicle or hit-and-run motor vehicle coverage, and the underinsured motor vehicle coverage shall include limits for bodily injury or death at least equal to those stated in subsection 10 of section 321A.1. The form and provisions of such coverage shall be examined and approved by the commissioner of insurance.

However, the named insured shall have the right to reject all of such coverage, or to reject the uninsured motor vehicle or hit-and-run motor vehicle coverage, or to reject the underinsured motor vehicle coverage, by written rejections signed by the named insured. If such rejection is made on a form or document furnished by an insurance company or insurance agent, it shall be on a separate sheet of paper which contains only such rejection and information directly related thereto. Such coverage need not be provided in or supplemental to a renewal policy where the named insured has rejected such coverage in connection with a policy previously issued to him by the same insurer.

Sec. 7. Section five hundred sixteen A point two (516A.2), Code 1979, is amended to read as follows:

516A.2 CONSTRUCTION--MINIMUM COVERAGE. Nothing Except with respect to a policy containing both underinsured motor vehicle coverage and uninsured or hit-and-run motor vehicle coverage, nothing contained in this chapter shall be construed as requiring forms of coverage provided pursuant hereto, whether alone or in combination with similar coverage afforded under other automobile liability or motor vehicle liability policies, to afford limits in excess of those that would be afforded had the insured thereunder been involved in an accident with a motorist who was insured under a policy of liability insurance with the minimum limits for bodily injury

or death prescribed in subsection 10 of section 321A.1. Such forms of coverage may include terms, exclusions, limitations, conditions, and offsets which are designed to avoid duplication of insurance or other benefits.

Sec. 8. This Act takes effect January first following its enactment.

Sec. 9. Sections six (6) and seven (7) of this Act apply only to policies of insurance issued or renewed on or after the effective date of this Act.

TERRY E. BRANSTAD
President of the Senate

WILLIAM H. HARBOR
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2337, Sixty-eighth General Assembly.

FRANK J. STORK
Secretary of the Senate

Approved 5/23, 1980

ROBERT D. RAY
Governor