

Amendment (SSB) to Do Pass 3/27 (p 1071)

SENATE FILE 2240  
BY COMMITTEE ON JUDICIARY  
(formerly SSB 2147)  
*Approved (p 568)*

Passed Senate, Date 3-12-86 (p 690) Passed House, Date \_\_\_\_\_  
Vote: Ayes 49 Nays 0 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the collection of civil penalties for the  
2 reparation of persons injured by uninsured motorists.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

S.F. 2240

1 Section 1. Section 321.218, unnumbered paragraph 1, Code  
2 Supplement 1985, is amended to read as follows:

3 A person whose operator's or chauffeur's license or driving  
4 privilege has been denied, canceled, suspended, or revoked as  
5 provided in this chapter, and who drives a motor vehicle upon  
6 the highways of this state while the license or privilege is  
7 denied, canceled, suspended, or revoked commits a simple  
8 misdemeanor. However, a person whose license or driving  
9 privilege has been revoked under section 321.209 or chapter  
10 321B and who drives a motor vehicle upon the highways of this  
11 state while the license or privilege is revoked commits a  
12 serious misdemeanor. The sentence imposed under this section  
13 shall not be suspended by the court, notwithstanding section  
14 907.3 or any other statute. The department, upon receiving  
15 the record of the conviction of a person under this section  
16 upon a charge of driving a motor vehicle while the license of  
17 the person was suspended or revoked, shall, except for  
18 licenses suspended under section 321.513, extend the period of  
19 suspension or revocation for an additional like period, and  
20 the department shall not issue a new license during the  
21 additional period. The department shall also assess the  
22 person a civil penalty of one hundred dollars, and the money  
23 collected shall be transmitted to the treasurer of state who  
24 shall deposit the money in a separate fund dedicated to and  
25 used for the purposes of chapter 912. The department shall  
26 not issue a new license until the civil penalty has been paid.

27 Sec. 2. Section 321A.5, subsection 1, Code 1985, is  
28 amended by adding the following new unnumbered paragraph:

29 NEW UNNUMBERED PARAGRAPH. When the director suspends a  
30 license or registration pursuant to this section, the director  
31 shall assess the person a civil penalty of one hundred  
32 dollars. The penalties collected shall be transmitted to the  
33 treasurer of state who shall deposit the money in a separate  
34 fund dedicated to and used for the purposes of chapter 912.  
35 The license or registration shall not be reinstated until the

1 civil penalty has been paid.

2 Sec. 3. NEW SECTION. 912.14 UNINSURED MOTORISTS.

3 Funds collected pursuant to the levying of civil penalties  
4 for driving while the license is suspended or revoked under  
5 section 321.218 or while uninsured under section 321A.5,  
6 subsection 1, shall be used for the reparation of persons  
7 incurring actual economic losses due to injury to person or  
8 property caused by uninsured motorists.

9 EXPLANATION

10 This bill provides that persons who have had their licenses  
11 suspended or revoked for an additional period for driving  
12 without a valid license and persons who have had their  
13 licenses or registrations suspended for driving while  
14 uninsured will be assessed a civil penalty of one hundred  
15 dollars.

16 The bill also provides that the funds so collected shall be  
17 dedicated to and held for use under the crime victim  
18 reparation program, and used for purposes of reparation of  
19 individuals suffering actual economic losses due to injuries  
20 inflicted by uninsured motorists.

21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

In compliance with a written request received March 4, 1986, a fiscal note for SENATE FILE 2240 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2240 provides that persons who have had their licenses suspended or revoked for an additional period for driving without a valid license and persons who have had their licenses or registrations suspended for driving while uninsured will be assessed a penalty of \$100. The funds collected are dedicated to and held for use under the crime victim reparation program, and used to pay individuals suffering actual economic losses due to injuries inflicted by uninsured motorists.

In calendar year 1985 there were 475 licenses suspended and 768 licenses revoked for an additional period for driving without a valid license. There were 4,029 operator licenses suspended for failing to post security after having an accident (1,296 registrations were also suspended, but there is a substantial overlap with the operator license suspensions).

FISCAL EFFECT: The fiscal effect of this bill depends upon the number of drivers with suspended or revoked operator licenses who either obtain a new license or have their license reinstated. If all these drivers do regain their driving privileges, this bill will generate \$527,200 to be used to compensate individuals who suffer actual economic losses due to injuries inflicted by uninsured motorists. The amount of claims that will be filed related to these injuries cannot be estimated.

Source: DOT.

(LSB 8116S, JMN)

Filed March 11, 1986 BY DOYLE DENNIS C. PROUTY, DIRECTOR, LEGISLATIVE FISCAL BUREAU

**REVISED**

FISCAL NOTE TO  
SENATE FILE 2240

In compliance with a written request received March 20, 1986, a fiscal note for SENATE FILE 2240 - REVISED is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2240 provides that persons who have had their licenses suspended or revoked for an additional period for driving without a valid license and persons who have had their licenses or registrations suspended for driving while uninsured will be assessed a penalty of \$100. The funds collected are dedicated to and held for use under the crime victim reparation program, and used to pay individuals suffering actual economic losses due to injuries inflicted by uninsured motorists.

In calendar year 1985 there were 475 licenses suspended and 768 licenses revoked for an additional period for driving without a valid license. There were 4,029 operator licenses suspended for failing to post security after having an accident (1,296 registrations were also suspended, but there is a substantial overlap with the operator license suspensions).

FISCAL EFFECT: The fiscal effect of this bill depends upon the number of drivers with suspended or revoked operator licenses who either obtain a new license or have their license reinstated. If the percentage of drivers who are reinstated is similar to the percentage of drivers convicted of OWI who have their licenses reinstated (42%), approximately \$225,000 will be generated for the crime victim reparation program. If all drivers are reinstated, \$527,200 would be generated.

The amount of claims that will be filed related to economic losses is difficult to estimate. Under current law injuries to persons are compensated, while damages to property are not. The Department of Public Safety believe that compensating for property damage would require additional staff to adjust claims.

(LSB 8116S 2, JMN)

Filed by Doyle March 24, 1986 DENNIS C. PROUTY, DIRECTOR, LEGISLATIVE FISCAL BUREAU

SENATE FILE 2240

FISCAL NOTE

REQUESTED BY REPRESENTATIVE WOODS

---

In compliance with a written request received April 1, 1986, a fiscal note for SENATE FILE 2240 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

---

Senate File 2240 provides that persons who have had their licenses suspended or revoked for an additional period for driving without a valid license and persons who have had their licenses or registrations suspended for driving while uninsured will be assessed a civil penalty of \$100. The funds collected are dedicated to and held for use under the crime victim reparation program, and used to pay individuals suffering actual economic losses due to injuries inflicted by uninsured motorists.

In calendar year 1985 there were 475 licenses suspended and 768 licenses revoked for an additional period for driving without a valid license. There were 4,029 operator licenses suspended for failing to post security after having an accident (1,296 registrations were also suspended, but there is a substantial overlap with the operator license suspensions).

FISCAL EFFECT: The fiscal effect of this bill depends upon the number of drivers with suspended or revoked operator licenses who either obtain a new license or have their license reinstated. If the percentage of drivers who are reinstated is similar to the percentage of drivers convicted of OWI who have their licenses reinstated (42%), approximately \$225,000 will be generated annually for the crime victim reparation program. If all drivers are reinstated, \$527,200 would be generated. However, because of the time delay inherent in license reinstatement, it is estimated that only one-half of the annual revenue will be collected during the first fiscal year that the provisions of this bill are in effect.

The amount of claims that will be filed related to economic losses is difficult to estimate. Under current law injuries to persons are compensated, while damages to property are not. The Department of Public Safety believes that compensating for property damage would require additional staff to adjust claims.

Sources: Department of Transportation, Department of Public Safety (LSB 8116S.3, JMN)

FILED APRIL 2, 1986

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2240

H-5690

1 Amend Senate File 2240 as passed by the Senate as  
2 follows:

3 1. Page 1, line 12, by inserting after the word  
4 "misdemeanor" the following: "and upon conviction  
5 the department shall revoke all motor vehicle  
6 registrations registered in the person's name".

H-5690 FILED APRIL 4, 1986 BY VAN CAMP of Scott

## SENATE FILE 2240

H-5581

1 Amend Senate File 2240 as passed by the Senate as  
2 follows:

3 1. By striking everything after the enacting  
4 clause and inserting the following:

5 "Section 1. Section 321.1, Code Supplement 1985,  
6 is amended by adding the following new subsections:

7 NEW SUBSECTION. 87. "Liability insurance  
8 coverage" means any of the following:

9 a. An owner's policy of liability insurance which  
10 is issued by an insurance carrier authorized to do  
11 business in this state to or for the benefit of the  
12 person named in the policy as insured, and insuring  
13 the person named as insured and any person using an  
14 insured motor vehicle with the express or implied  
15 permission of the named insured against loss from  
16 liability imposed by law for damages arising out of  
17 the ownership, maintenance, or use of an insured motor  
18 vehicle within the United States of America or the  
19 Dominion of Canada, but subject to minimum limits,  
20 exclusive of interest and costs, in the amounts  
21 specified in section 321A.21. However, if another  
22 provision of the Code requires a person to have  
23 liability insurance coverage which exceeds the minimum  
24 requirements of this subsection, that provision of the  
25 Code supersedes the minimum requirements of this  
26 subsection.

27 b. A valid certificate of self-insurance issued by  
28 the director pursuant to section 321A.34.

29 c. A bond filed with the director pursuant to  
30 section 321A.24.

31 d. A valid certificate of deposit of money or  
32 security issued by the treasurer of state pursuant to  
33 section 321A.25.

34 NEW SUBSECTION. 88. "Proof of insurance card"  
35 means either a liability insurance card issued under  
36 section 321.20A, bond insurance card issued under  
37 section 321A.24, security insurance card issued under  
38 section 321A.25, or self-insurance card issued under  
39 section 321A.34.

40 Sec. \_\_\_\_ . NEW SECTION. 321.20A PROOF OF SECURITY  
41 AGAINST LIABILITY.

42 1. Notwithstanding chapter 321A, as it pertains to  
43 who is required to maintain proof of financial  
44 responsibility, a person shall not drive a motor  
45 vehicle which is registered in this state on the  
46 highways of this state unless liability insurance  
47 coverage as defined in section 321.1, subsection 87,  
48 is in effect for the motor vehicle and unless the  
49 driver has in the motor vehicle the proof of insurance  
50 card issued for the motor vehicle.

H-5581

Page Two

1 2. An insurance company transacting business in  
2 this state shall issue to its insured owners of motor  
3 vehicles registered in this state a liability  
4 insurance card for each registered motor vehicle  
5 insured. The liability insurance card shall be in  
6 accordance with rules adopted by the commissioner of  
7 insurance pursuant to chapter 17A after consultation  
8 with the state department of transportation. Each  
9 liability insurance card shall identify the  
10 registration number of the motor vehicle insured and  
11 shall indicate the expiration date of the applicable  
12 insurance coverage. The liability insurance card  
13 shall also contain the name and address of the insured  
14 and insurer.

15 3. An owner or driver of a motor vehicle who is  
16 charged with violating subsection 1 shall not be  
17 convicted if the person produces in court, within a  
18 reasonable time, proof that the motor vehicle had  
19 liability insurance coverage at the time of the  
20 person's arrest.

21 Sec. \_\_\_\_ . Section 321.54, unnumbered paragraph 1,  
22 Code 1985, is amended to read as follows:

23 Nonresident owners of foreign vehicles operated  
24 within this state for the intrastate transportation of  
25 persons or property for compensation or for the  
26 intrastate transportation of merchandise shall  
27 register and maintain liability insurance coverage for  
28 each such vehicle and pay the same fees therefor-as-is  
29 required with-reference-to for like vehicles owned by  
30 residents of this state.

31 Sec. \_\_\_\_ . Section 321.55, Code 1985, is amended to  
32 read as follows:

33 321.55 REGISTRATION REQUIRED FOR CERTAIN VEHICLES  
34 OWNED OR OPERATED BY NONRESIDENTS.

35 A nonresident owner or operator engaged in  
36 remunerative employment within the state or carrying  
37 on business within the state and owning or operating a  
38 motor vehicle, trailer, or semitrailer within the  
39 state shall register and maintain liability insurance  
40 coverage for each such vehicle and pay the same fees  
41 for registration as are paid for like vehicles owned  
42 by residents of this state. However, this paragraph  
43 does not apply to a person commuting from the person's  
44 residence in another state or whose employment is  
45 seasonal or temporary, not exceeding ninety days.

46 A nonresident owner of a motor vehicle operated  
47 within the state by a resident of the state shall  
48 register the vehicle and shall maintain liability  
49 insurance coverage for the vehicle. The nonresident  
50 owner shall pay the same fees for registration as are

H-5581

Page Three

1 paid for like vehicles owned by residents of this  
2 state. However, registration under this paragraph  
3 ~~does-not-apply-to~~ is not required for vehicles being  
4 operated by residents temporarily, not exceeding  
5 ninety days. It is unlawful for a resident to operate  
6 within the state an unregistered motor vehicle  
7 required to be registered under this paragraph.

8 Sec. \_\_\_\_\_. Section 321.57, unnumbered paragraph 1,  
9 Code 1985, is amended to read as follows:

10 A dealer owning any vehicle of a type otherwise  
11 required to be registered hereunder under this chapter  
12 may operate or move the same vehicle upon the highways  
13 solely for purposes of transporting, testing,  
14 demonstrating or selling the same vehicle without  
15 registering ~~each-such~~ the vehicle upon condition that  
16 ~~any-such~~ the vehicle display in the manner prescribed  
17 in sections 321.37 and 321.38 a special plate issued  
18 to such the owner as provided in sections 321.58 to  
19 321.62. ~~In-addition-to-the-foregoing,~~ However, if  
20 the vehicle is a motor vehicle the dealer shall  
21 maintain liability insurance coverage for the motor  
22 vehicle as required under section 321.20A. A new car  
23 dealer or a used car dealer may operate or move upon  
24 the highways any new or used car or trailer owned by  
25 the dealer for either private or business purposes  
26 without registering ~~the-same~~ it providing ~~(it)-such~~  
27 the new or used car or trailer is in the dealer's  
28 inventory and is continuously offered for sale at  
29 retail, and (2) there is displayed thereon on it a  
30 special plate issued to such the dealer as provided in  
31 sections 321.58 to 321.62.

32 Sec. \_\_\_\_\_. Section 321.492, unnumbered paragraph 1,  
33 Code 1985, is amended to read as follows:

34 Any peace officer is authorized to stop any vehicle  
35 to require exhibition of the driver's motor vehicle  
36 license, to require exhibition of the proof of  
37 insurance card issued for the vehicle if the vehicle  
38 is a motor vehicle registered in this state, to serve  
39 a summons or memorandum of traffic violation, to  
40 inspect the condition of the vehicle, to inspect the  
41 vehicle with reference to size, weight, cargo, log  
42 book, bills of lading or other manifest of employment,  
43 tires and safety equipment, or to inspect the  
44 registration certificate, the compensation  
45 certificate, travel order, or permit of the vehicle.

46 Sec. \_\_\_\_\_. Section 321A.24, subsection 1, Code  
47 1985, is amended to read as follows:

48 1. Proof of financial responsibility may be  
49 evidenced by the bond of a surety company duly  
50 authorized to transact business within this state, or

H-5581

Page Four

1 a bond with at least two individual sureties each  
2 owning real estate within this state, and together  
3 having equities equal in value to at least twice the  
4 amount of the bond, which real estate shall be  
5 scheduled in the bond approved by a judge or clerk of  
6 a court of record, which ~~said~~ bond shall be  
7 conditioned for payment of the amounts specified in  
8 section 321A.1, subsection 10. ~~Such~~ The bond shall be  
9 filed with the director and shall not be cancelable  
10 except after ten days' written notice to the director.  
11 Such The director shall issue to the person filing the  
12 bond, a bond insurance card for each motor vehicle  
13 registered by the person in the state. The bond  
14 insurance card shall state the name and address of the  
15 person and the motor vehicle registration number of  
16 the vehicle for which the card is issued. The bond  
17 shall constitute a lien in favor of the state upon the  
18 real estate so scheduled of any surety, which lien  
19 shall exist in favor of any holder of a final judgment  
20 against the person who has filed such the bond, for  
21 damages, including damages for care and loss of  
22 services, because of bodily injury to or death of any  
23 person, or for damage because of injury to or  
24 destruction of property, including the loss of use  
25 thereof of the property, resulting from the ownership,  
26 maintenance, use, or operation of a motor vehicle  
27 after such the bond was filed, upon the filing of  
28 notice to that effect by the director in the office of  
29 the proper clerk of court of the county where such the  
30 real estate ~~shall-be~~ is located. ~~Any~~ An individual  
31 surety ~~so~~ scheduling real estate security shall  
32 furnish satisfactory evidence of title ~~thereto~~ to the  
33 property and the nature and extent of all encumbrances  
34 thereon on the property and the value of the surety's  
35 interest therein in the property, in such the manner  
36 ~~as~~ the judge or clerk of the court of record approving  
37 the bond ~~may-require~~ requires. The notice filed by  
38 the director shall, in addition to any other matters  
39 deemed by the director to be pertinent, contain a  
40 legal description of the real estate ~~so~~ scheduled, the  
41 name of the holder of the record title, the amount for  
42 which it stands as security, and the name of the  
43 person in whose behalf proof is ~~so~~ being made. Upon  
44 the filing of such the notice the clerk of the court  
45 of such county shall retain the same notice as part of  
46 the records of such the court and enter upon the  
47 encumbrance book the date and hour of filing, the name  
48 of the surety, the name of the record titleholder, the  
49 description of the real estate, and the further  
50 notation that a lien is charged on such the real

H-5581

Page Five

1 estate pursuant to the filed notice filed-hereunder.  
2 From and after the entry of the foregoing notice upon  
3 the encumbrance book all persons ~~whomsoever shall be~~  
4 are charged with notice thereof of it.

5 Sec. \_\_\_\_. Section 321A.25, subsection 1, Code  
6 1985, is amended to read as follows:

7 1. ~~With respect to accidents occurring on or after~~  
8 ~~January 17, 1981, and before January 17, 1983, proof of~~  
9 ~~financial responsibility may be evidenced by the~~  
10 ~~certificate of the state treasurer that the person~~  
11 ~~named in the certificate has deposited with the~~  
12 ~~treasurer forty thousand dollars in cash, or~~  
13 ~~securities such as may legally be purchased by a state~~  
14 ~~bank or for trust funds of a market value of forty~~  
15 ~~thousand dollars, and with respect to accidents~~  
16 ~~occurring on or after January 17, 1983, proof~~ Proof of  
17 financial responsibility may be evidenced by the  
18 certificate of the state treasurer of state that the  
19 person named in the certificate has deposited with the  
20 treasurer of state fifty-five thousand dollars in  
21 cash, or securities such as which may legally be  
22 purchased by a state bank or for trust funds of a  
23 market value of fifty-five thousand dollars. The  
24 treasurer of state shall promptly notify the director  
25 of transportation of the name and address of the  
26 person who has been issued the certificate. Upon  
27 receipt of the notification, the director of  
28 transportation shall issue to the person a security  
29 insurance card for each motor vehicle registered in  
30 this state by the person. The security insurance card  
31 shall state the name and address of the person and the  
32 registration number of the motor vehicle for which the  
33 card is issued. The state treasurer of state shall  
34 not accept a deposit and issue a certificate for it  
35 and the director shall not accept the certificate  
36 unless accompanied by evidence that there are no  
37 unsatisfied judgments of any character against the  
38 depositor in the county where the depositor resides.

39 Sec. \_\_\_\_. Section 321A.34, subsections 2 and 3,  
40 Code 1985, are amended to read as follows:

41 2. The director may, in the director's discretion,  
42 upon the application of such a person, issue a  
43 certificate of self-insurance when the director is  
44 satisfied that such the person is possessed and will  
45 continue to be possessed of ability to pay judgments  
46 obtained against such the person for damages arising  
47 out of the ownership, maintenance, or use of any  
48 vehicle owned by such the person. However, a  
49 certificate of self-insurance shall not be issued  
50 unless the person files a bond under section 321A.24

H-5581

Page Six

1 or cash or securities under section 321A.25. The  
 2 director shall issue to each person who has in effect  
 3 a valid certificate of self-insurance, a self-  
 4 insurance card for each motor vehicle registered in  
 5 this state by the person. The card shall state the  
 6 name and address of the person and shall state the  
 7 registration number of the motor vehicle for which the  
 8 card was issued.

9 3. Upon not less than five days' notice and a  
 10 hearing pursuant to such notice, the director may upon  
 11 reasonable grounds cancel a certificate of self-  
 12 insurance. Failure to pay any judgment for damages  
 13 arising out of the ownership, maintenance, or use of  
 14 any vehicle owned by such the self-insurer within  
 15 thirty days after such the judgment shall-have-become  
 16 becomes final shall-constitute constitutes a  
 17 reasonable ground for the cancellation of a  
 18 certificate of self-insurance. Upon the cancellation  
 19 of a certificate of self-insurance, the person who was  
 20 issued the certificate shall surrender to the director  
 21 all self-insurance cards issued to the person.

22 Sec. \_\_\_\_ . Section 516A.1, Code 1985, is amended to  
 23 read as follows:

24 516A.1 COVERAGE INCLUDED IN EVERY LIABILITY POLICY  
 25 ---REJECTION-BY-INSURED.

26 No An automobile liability or motor vehicle  
 27 liability insurance policy insuring against liability  
 28 for bodily injury or death arising out of the  
 29 ownership, maintenance, or use of a motor vehicle  
 30 shall not be delivered or issued for delivery in this  
 31 state with respect to any motor vehicle registered or  
 32 principally garaged in this state, unless coverage is  
 33 provided in such the policy or supplemental thereto to  
 34 the policy, for the protection of persons insured  
 35 under such the policy who are legally entitled to  
 36 recover damages from the owner or operator of an  
 37 uninsured motor vehicle or a hit-and-run motor vehicle  
 38 or an underinsured motor vehicle because of bodily  
 39 injury, sickness, or disease, including death  
 40 resulting therefrom, caused by accident and arising  
 41 out of the ownership, maintenance, or use of such the  
 42 uninsured or underinsured motor vehicle, or arising  
 43 out of physical contact of such the hit-and-run motor  
 44 vehicle with the person insured or with a motor  
 45 vehicle which the person insured is occupying at the  
 46 time of the accident. Both the uninsured motor  
 47 vehicle or hit-and-run motor vehicle coverage, and the  
 48 underinsured motor vehicle coverage shall include  
 49 limits for bodily injury or death at least equal to  
 50 those stated-in-section-321A-17-subsection-10 provided

H-5581

Page Seven

1 in the automobile or motor vehicle liability coverage  
2 of the policy. The form and provisions of such the  
3 coverage shall be examined and approved by the  
4 commissioner of insurance.

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

18 Sec. \_\_\_\_ . NEW SECTION. 516B.3 PROHIBITION  
19 AGAINST POLICY RATE INCREASES SOLELY BECAUSE OF CLAIM  
20 FILED FOR ACCIDENTS INVOLVING UNINSURED OR  
21 UNDERINSURED MOTORISTS.

22 The rate for an insured's automobile insurance or  
23 motor vehicle insurance policy insuring against injury  
24 or damages arising out of use of a motor vehicle  
25 registered in this state delivered or issued for  
26 delivery in this state shall not be increased solely  
27 because a claim or claims against the policy were made  
28 due to injury or damages sustained caused by accident  
29 and arising out of the use of an uninsured or  
30 underinsured motor vehicle.

31 Sec. \_\_\_\_ . NEW SECTION. 516B.4 APPLICATION.  
32 Section 516B.3 applies only to accidents in which  
33 the driver of the uninsured or underinsured motor  
34 vehicle is charged with violating section 321.20A.  
35 The section also applies only in accidents where the  
36 insured was not at fault in the accident. The  
37 commissioner of insurance shall adopt rules pursuant  
38 to chapter 17A determining the reasonable percentage  
39 of fault at which the insured shall be deemed to be  
40 not at fault in an accident, however, the rules  
41 adopted shall require that the percentage of fault be  
42 less than fifty percent.

43 Sec. \_\_\_\_ . NEW SECTION. 516C.1 DEFINITIONS.  
44 As used in this chapter, unless the context  
45 otherwise requires:  
46 1. "Department" means the insurance department of  
47 Iowa.  
48 2. "Commissioner" means the commissioner of  
49 insurance or the commissioner's designee.  
50 3. "Victim" means a person who suffers personal

H-5581

Page Eight

1 injury or death as a result of an accident arising out  
2 of the ownership, maintenance, or use of an uninsured  
557 3 motor vehicle in the state.

4 4. "Dependent" means a person wholly or partially  
5 dependent upon a victim for care or support and  
6 includes a child of the victim born after the victim's  
7 death.

8 5. "Reparation" means compensation awarded by the  
9 commissioner as authorized by this chapter.

10 Sec. \_\_\_\_ . NEW SECTION. 516C.2 AWARD OF  
11 REPARATION.

12 The commissioner shall award reparations authorized  
13 by this chapter if the commissioner is satisfied that  
14 the requirements for reparation have been met.

15 Sec. \_\_\_\_ . NEW SECTION. 516C.3 DUTIES OF  
16 COMMISSIONER.

17 The commissioner shall:

18 1. Adopt rules pursuant to chapter 17A relating to  
19 the administration of the uninsured motorists' victim  
20 reparation program, including the filing of claims  
21 pursuant to the program, and the hearing and  
22 disposition of the claims.

23 2. Hear claims, determine the results relating to  
24 claims, and reinvestigate and reopen cases as  
25 necessary.

26 3. Publicize through the department, state  
27 department of transportation, county sheriff  
28 departments, municipal police departments, county  
29 attorney offices, and other public or private  
30 agencies, the existence of the uninsured motorists'  
31 victim reparation program, including the procedures  
32 for obtaining reparation under the program.

33 4. Require medical examinations of victims as  
34 needed. The victim shall be responsible for the cost  
35 of the medical examination if reparation is made. The  
36 department shall be responsible for the cost of the  
37 medical examination from moneys deposited in the  
38 uninsured motorists' victim reparation fund if  
39 reparation is not made to the victim unless the cost  
40 of the examination is payable as a benefit under an  
41 insurance policy or subscriber contract covering the  
42 victim or the cost is payable by a health maintenance  
43 organization.

44 Sec. \_\_\_\_ . NEW SECTION. 516C.4 APPLICATION FOR  
45 REPARATION.

46 1. To claim a reparation under the uninsured  
47 motorists' victim reparation program, a person shall  
48 apply in writing on a form prescribed by the  
49 commissioner and file the application with the  
50 commissioner within one hundred eighty days after the

H-5581

Page Nine

1 date of the accident or within one hundred twenty days  
2 after the date of death of the victim.

3 2. A person is not eligible for reparation unless  
4 the accident was reported to the local police  
5 department or county sheriff department within  
6 seventy-two hours of its occurrence. However, if the  
7 accident cannot reasonably be reported within that  
8 time period, the accident shall have been reported  
9 within seventy-two hours of the time a report can  
10 reasonably be made.

11 Sec. \_\_\_\_ . NEW SECTION. 516C.5 REPARATIONS  
12 PAYABLE.

13 On or after July 1, 1987, the commissioner may  
14 order the payment of reparation:

15 1. To or for the benefit of the person filing the  
16 claim.

17 2. To a person responsible for the maintenance of  
18 the victim who has suffered pecuniary loss or incurred  
19 expenses as a result of personal injury to the victim.

20 3. To or for the benefit of one or more dependents  
21 of the victim, in the case of death of the victim. If  
22 two or more dependents are entitled to a reparation,  
23 the reparation may be apportioned by the commissioner  
24 as the commissioner determines to be fair and  
25 equitable among the dependents.

26 Sec. \_\_\_\_ . NEW SECTION. 516C.6 COMPUTATION OF  
27 REPARATION.

28 The commissioner shall make reparation, as  
29 appropriate, for any of the following economic losses  
30 incurred as a direct result of an injury to or death  
31 of the victim:

32 1. Reasonable charges incurred for medical care  
33 not to exceed ten thousand dollars.

34 2. Loss of income from work the victim would have  
35 performed and for which the victim would have received  
36 compensation if the victim had not been injured not to  
37 exceed two thousand dollars.

38 3. Reasonable funeral and burial expenses not to  
39 exceed two thousand five hundred dollars.

40 4. Loss of support for dependents resulting from  
41 death or a period of disability of the victim of sixty  
42 days or more not to exceed two thousand dollars per  
43 dependent or a total of six thousand dollars.

44 Sec. \_\_\_\_ . NEW SECTION. 516C.7 REDUCTIONS AND  
45 DISQUALIFICATIONS.

46 Reparations are subject to reduction and  
47 disqualification as follows:

48 1. A reparation shall be reduced by the amount of  
49 any payment received, or to be received, as a result  
50 of the injury or death:

H-5581

Page Ten

- 1 a. From or on behalf of, the owner or driver of
- 2 the uninsured motor vehicle.
- 3 b. From an insurance payment or program, including
- 4 but not limited to workers' compensation or
- 5 unemployment compensation.
- 6 c. From public funds.
- 7 d. As an emergency award under section 516C.11.

8 2. A person is disqualified from receiving a  
9 reparation if the victim has not cooperated with an  
10 appropriate law enforcement agency in the  
11 investigation or prosecution of the accident relating  
12 to the claim, or has not cooperated with the  
13 department in the administration of the uninsured  
14 motorists' victim reparation program.

15 Sec. \_\_\_\_ . NEW SECTION. 516C.8 REPARATION WHEN  
16 MONEY INSUFFICIENT.

17 Notwithstanding this chapter a victim otherwise  
18 qualified for a reparation under the uninsured  
19 motorists' victim reparation program, is not entitled  
20 to the reparation when there is insufficient money in  
21 the uninsured motorists' victim reparation fund to pay  
22 the reparation.

23 Sec. \_\_\_\_ . NEW SECTION. 516C.9 ERRONEOUS OR  
24 FRAUDULENT PAYMENT -- PENALTY.

25 1. If a payment or overpayment of a reparation is  
26 made because of clerical error, mistaken identity,  
27 innocent misrepresentation by or on behalf of the  
28 recipient, or other circumstances of a similar nature,  
29 not induced by fraud by or on behalf of the recipient,  
30 the recipient is liable for repayment of the  
31 reparation. The commissioner may waive, decrease, or  
32 adjust the amount of the repayment of the reparation.  
33 However, if the commissioner does not notify the  
34 recipient of the erroneous payment or overpayment  
35 within one year of the date the reparation was made,  
36 the recipient is not liable for the repayment of the  
37 reparation.

38 2. If a payment or overpayment has been induced by  
39 fraud by or on behalf of a recipient, the recipient is  
40 liable for repayment of the reparation.

41 Sec. \_\_\_\_ . NEW SECTION. 516C.10 RELEASE OF  
42 INFORMATION.

43 A person in possession or control of investigative  
44 or other information pertaining to an uninsured  
45 motorists' accident or a victim filing for a  
46 reparation shall allow the inspection and reproduction  
47 of the information by the commissioner upon the  
48 request of the commissioner, to be used only in the  
49 administration and enforcement of the uninsured  
50 motorists' victim reparation program. Information and

H-5581

Page Eleven

1 records which are confidential under section 22.7 and  
2 information or records received from the confidential  
3 information or records remain confidential under this  
4 section.

5 A person does not incur legal liability by reason  
6 of releasing information to the commissioner as  
7 required under this section.

8 Sec. \_\_\_\_ . NEW SECTION. 516C.11 EMERGENCY PAYMENT  
9 REPARATION.

10 If the commissioner determines that reparation may  
11 be made and that undue hardship may result to the  
12 person if partial immediate payment is not made, the  
13 commissioner may order an emergency reparation to be  
14 made to the person, not to exceed five hundred  
15 dollars.

16 Sec. \_\_\_\_ . NEW SECTION. 516C.12 RIGHT OF ACTION  
17 AGAINST PERPETRATOR -- SUBROGATION.

18 A right of legal action by the victim against the  
19 owner or driver of an uninsured motor vehicle is not  
20 lost as a consequence of a person receiving reparation  
21 under the uninsured motorists' victim reparation  
22 program. If a person receiving reparation under the  
23 program seeks indemnification which would reduce the  
24 reparation under section 516C.7, subsection 1, the  
25 commissioner is subrogated to the recovery to the  
26 extent of payments by the commissioner to or on behalf  
27 of the person. The commissioner has a right of legal  
28 action against the owner or operator of an uninsured  
29 motor vehicle involved in an accident resulting in  
30 payment of reparation by the department to the extent  
31 of the reparation payment. However, legal action by  
32 the commissioner does not affect the right of a person  
33 to seek further relief in other legal actions.

34 Sec. \_\_\_\_ . NEW SECTION. 516C.13 UNINSURED  
35 MOTORISTS' VICTIM REPARATION FUND.

36 The uninsured motorists' victim reparation fund is  
37 created. Notwithstanding section 602.8106, all fines  
38 from violations of section 321.20A, subsection 1,  
39 received by the treasurer of state shall be deposited  
40 in the uninsured motorists' victim reparation fund.  
41 The state comptroller shall report monthly to the  
42 commissioner an account of all credits and  
43 disbursements from the fund. The state comptroller  
44 shall issue warrants for disbursements from the fund  
45 upon proper certification by the commissioner.

46 Sec. \_\_\_\_ . Section 805.6, Code Supplement 1985, is  
47 amended by adding the following new subsection:

48 NEW SUBSECTION. 7. A person who has been stopped  
49 by a peace officer pursuant to section 321.492 and who  
50 exhibited to the peace officer a proof of insurance

H-5581

Page Twelve

1 card as defined under section 321.1, subsection 88,  
2 issued for the driven motor vehicle which, upon  
3 subsequent investigation by the peace officer, is  
4 found to be invalid, may be issued a uniform citation  
5 and complaint for a violation of section 321.20A,  
6 subsection 1, without the need of obtaining the  
7 signature of the person to whom the uniform citation  
8 and complaint is issued. The uniform citation and  
9 complaint shall be served in the manner of an original  
10 notice by R.C.P. 56.1, paragraph "a" or by certified  
11 mail addressed to the person at the address shown by  
12 the records of the state department of transportation.  
13 Return acknowledgement is required to prove the latter  
14 service.

15 Sec. \_\_\_\_\_. Section 805.8, subsection 2, Code  
16 Supplement 1985, is amended by adding the following  
17 new paragraph:

18 NEW PARAGRAPH. If, in connection with a motor  
19 vehicle accident, a person is charged and found guilty  
20 of a violation of section 321.20A, subsection 1, the  
21 scheduled fine is five hundred dollars, otherwise the  
22 scheduled fine for violations of section 321.20A,  
23 subsection 1 is one hundred dollars.

24 Sec. \_\_\_\_\_. Section 516A.2, Code 1985, is repealed.

25 Sec. \_\_\_\_\_. This Act takes effect January 1, 1987.

26 In order to implement this Act, the insurance  
27 department of Iowa and the state department of  
28 transportation shall adopt rules as required under  
29 this Act by October 1, 1986. The treasurer of state  
30 shall notify the director of transportation of the  
31 names and addresses of persons who are issued valid  
32 certificates under section 321A.25, subsection 1, by  
33 November 1, 1986, and after that date the treasurer of  
34 state shall notify the director of transportation as  
35 required under section 321A.25, subsection 1, as  
36 amended by this Act. Insurance carriers authorized to  
37 do business in this state and the director of  
38 transportation shall distribute proof of insurance  
39 cards as required under this Act by December 1, 1986."

BY COMMITTEE ON JUDICIARY  
AND LAW ENFORCEMENT

H-5581 FILED MARCH 27, 1986

SENATE FILE 2240

H-5598

1 Amend the Committee on Judiciary and Law  
2 Enforcement amendment, H-5581, to Senate File 2240 as  
3 passed by the Senate as follows:

4 1. Page 8, line 3, by inserting after the word  
5 "state" the following: "and who is not the owner of  
6 the uninsured motor vehicle".

H-5598 FILED MARCH 28, 1986 BY KREMER of Buchanan

SSB 2147

SSB 2147

JUDICIARY: Doyle, Chair; Mann and Holt

*New  
SF 2240*

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
JUDICIARY BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the collection of civil penalties for the  
2 reparation of persons injured by uninsured motorists.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

1 Section 1. Section 321.218, unnumbered paragraph 1, Code  
2 Supplement 1985, is amended to read as follows:

3 A person whose operator's or chauffeur's license or driving  
4 privilege has been denied, canceled, suspended, or revoked as  
5 provided in this chapter, and who drives a motor vehicle upon  
6 the highways of this state while the license or privilege is  
7 denied, canceled, suspended, or revoked commits a simple  
8 misdemeanor. However, a person whose license or driving  
9 privilege has been revoked under section 321.209 or chapter  
10 321B and who drives a motor vehicle upon the highways of this  
11 state while the license or privilege is revoked commits a  
12 serious misdemeanor. The sentence imposed under this section  
13 shall not be suspended by the court, notwithstanding section  
14 907.3 or any other statute. The department, upon receiving  
15 the record of the conviction of a person under this section  
16 upon a charge of driving a motor vehicle while the license of  
17 the person was suspended or revoked, shall, except for  
18 licenses suspended under section 321.513, extend the period of  
19 suspension or revocation for an additional like period, and  
20 the department shall not issue a new license during the  
21 additional period. The department shall also assess the  
22 person a civil penalty of one hundred dollars, and the money  
23 collected shall be transmitted to the treasurer of state who  
24 shall deposit the money in a separate fund dedicated to and  
25 used for the purposes of chapter 912. The department shall  
26 not issue a new license until the civil penalty has been paid.

27 Sec. 2. Section 321A.5, subsection 1, Code 1985, is  
28 amended by adding the following new unnumbered paragraph:

29 NEW UNNUMBERED PARAGRAPH. When the director suspends a  
30 license or registration pursuant to this section, the director  
31 shall assess the person a civil penalty of one hundred  
32 dollars. The penalties collected shall be transmitted to the  
33 treasurer of state who shall deposit the money in a separate  
34 fund dedicated to and used for the purposes of chapter 912.  
35 The license or registration shall not be reinstated until the

1 civil penalty has been paid.

2 Sec. 3. NEW SECTION. 912.14 UNINSURED MOTORISTS.

3 Funds collected pursuant to the levying of civil penalties  
4 for driving while the license is suspended or revoked under  
5 section 321.218 or while uninsured under section 321A.5,  
6 subsection 1, shall be used for the reparation of persons  
7 incurring actual economic losses due to injury to person or  
8 property caused by uninsured motorists.

9 EXPLANATION

10 This bill provides that persons who have had their licenses  
11 suspended or revoked for an additional period for driving  
12 without a valid license and persons who have had their  
13 licenses or registrations suspended for driving while  
14 uninsured will be assessed a civil penalty of one hundred  
15 dollars.

16 The bill also provides that the funds so collected shall be  
17 dedicated to and held for use under the crime victim  
18 reparation program, and used for purposes of reparation of  
19 individuals suffering actual economic losses due to injuries  
20 inflicted by uninsured motorists.

21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35