

Commerce

Senate File 118

COMMERCE: Kinley, Chair; Priebe and Rife

FILED FEB 04 1987

SENATE FILE 118
BY PRIEBE

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring an insurer to reduce premiums for automobile
2 liability and property damage insurance for a two-year period
3 for insureds age fifty-five or older who successfully complete
4 an approved motor vehicle accident prevention course.

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

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

SF 118

1 Section 1. NEW SECTION. 516B.3 AUTOMOBILE INSURANCE PRE-
2 MIUM REDUCTION FOR OLDER INSUREDS.

3 1. The commissioner shall require that insurance companies
4 transacting business in this state reduce automobile liability
5 and property damage insurance premiums for a two-year period
6 for insureds age fifty-five or older who successfully complete
7 an approved motor vehicle accident prevention course and who
8 have not been convicted of a moving vehicle violation under
9 chapter 321 during the five-year period preceding completion
10 of the approved course. After the lapse of the two-year
11 period, a person may requalify for an additional two-year
12 period of premium reductions by successfully completing the
13 course previously completed or another approved course. There
14 is no limit on the number of two-year periods of reduction of
15 premiums for which a person may qualify. As used in this
16 section, "approved course" means a motor vehicle accident
17 prevention course approved by the department of transporta-
18 tion. Neither the completion of a self-instructed course or a
19 course which does not provide actual classroom or field
20 driving instruction for a minimum number of hours, nor the
21 completion of a course for drinking drivers pursuant to sec-
22 tion 321J.22, qualify the insured for the premium reduction.

23 2. The insurer shall provide the premium reduction which
24 is appropriate when all other actuarial factors relative to
25 the insured are considered. However, the reduction shall be
26 at least ten percent per year.

27 3. When an insured successfully completes an approved
28 course, the course's sponsoring agency shall issue the insured
29 a certificate of completion and shall forward a copy of the
30 certificate to the department of transportation. The director
31 of the department shall maintain a file of certificate copies
32 sent to the department and, at the request of an insurer, send
33 the insurer a copy of an insured's certificate.

34 4. This section applies to automobile insurance policies
35 issued or renewed on or after the effective date of this Act.

1 Sec. 2. Section 307.12, Code 1987, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 14. Approve motor vehicle accident
4 prevention courses pursuant to section 516B.3. The director
5 also shall maintain a file of copies of certificates of
6 completion sent to the department and, at the request of an
7 insurer, send the insurer a copy of an insured's certificate.

8 EXPLANATION

9 This bill requires insurers doing business in this state to
10 give an automobile liability and property damage insurance
11 premium reduction of at least ten percent per year to
12 insureds, age fifty-five and older, who successfully complete
13 an accident prevention course approved by the department of
14 transportation. A person may requalify for additional two-
15 year periods of reduction of premiums. Insureds who have been
16 convicted of a moving vehicle violation in the five years
17 preceding completion of the course are not eligible for the
18 reduction. New section 516B.3 is created and referred to in
19 the bill. The bill takes effect July 1 following its
20 enactment and applies to all auto insurance policies issued or
21 renewed on or after the bill's effective date.

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