

**321.20B Proof of security against liability — driving without liability coverage.**

1. a. Notwithstanding [chapter 321A](#), which requires certain persons to maintain proof of financial responsibility, a person shall not drive a motor vehicle on the highways of this state unless financial liability coverage, as defined in [section 321.1, subsection 24B](#), is in effect for the motor vehicle and unless the driver has in the motor vehicle the proof of financial liability coverage card issued for the motor vehicle, or if the vehicle is registered in another state, other evidence that financial liability coverage is in effect for the motor vehicle. A proof of financial liability coverage card may be produced in paper or electronic format. Acceptable electronic formats include electronic images displayed on a cellular telephone or any other portable electronic device that has a display screen with touch input or a miniature keyboard.

b. It shall be conclusively presumed that a motor vehicle driven upon a parking lot which is available to the public without charge or which is available to customers or invitees of a business or facility without charge was driven on the highways of this state in order to enter the parking lot, and [this section](#) shall be applicable to such a motor vehicle. As used in [this section](#), “*parking lot*” includes access roads, drives, lanes, aisles, entrances, and exits to and from a parking lot described in this paragraph.

c. [This subsection](#) does not apply to the operator of a motor vehicle owned by or leased to the United States, this state or another state, or any political subdivision of this state or of another state, or to a motor vehicle which is subject to [section 325A.6](#).

2. a. An insurance company transacting business in this state shall issue to its insured owners of motor vehicles registered in this state a financial liability coverage card for each motor vehicle insured. Each financial liability coverage card shall identify the registration number or vehicle identification number of the motor vehicle insured and shall indicate the expiration date of the applicable insurance coverage. The financial liability coverage card shall also contain the name and address of the insurer or the name of the insurer and the name and address of the insurance agency, the name of the insured, and an emergency telephone number of the insurer or emergency telephone number of the insurance agency. An insurance company may issue a financial liability coverage card in either paper format or, if requested by the insured, electronic format.

b. The department shall adopt rules regarding the contents of a financial liability coverage card to be issued pursuant to [this section](#).

(1) Notwithstanding the provisions of [this section](#), a fleet owner who is issued a certificate of self-insurance pursuant to [section 321A.34, subsection 1](#), is not required to maintain in each vehicle a financial liability coverage card with the individual registration number or the vehicle identification number of the vehicle included on the card. Such fleet owner shall be required to maintain a financial liability coverage card in each vehicle in the fleet including information deemed appropriate by the director.

(2) An association of individual members that is issued a certificate of self-insurance pursuant to [section 321A.34, subsection 2](#), is required to maintain in each vehicle of an individual member a financial liability coverage card that complies with the provisions of [this section](#) and in addition contains information relating to the association and the association’s certificate of self-insurance as is deemed appropriate by the director.

3. If the financial liability coverage for a motor vehicle which is registered in this state is canceled or terminated effective prior to the expiration date indicated on the financial liability coverage card issued for the vehicle, the person to whom the financial liability coverage card was issued shall destroy the card.

4. a. If a peace officer stops a motor vehicle registered in this state and the driver is unable to provide proof of financial liability coverage, the peace officer shall do one of the following:

- (1) Issue a warning memorandum to the driver.
- (2) Issue a citation to the driver.
- (3) Issue a citation and remove the motor vehicle’s license plates and registration receipt.

(a) Upon removing the license plates and registration receipt, the peace officer shall deliver the plates for destruction, as appropriate, and forward the registration receipt and evidence of the violation, as determined by the department, to the county treasurer of the county in which the motor vehicle is registered.

(b) The motor vehicle may be driven for a time period of up to forty-eight hours after receiving the citation solely for the purpose of removing the motor vehicle from the highways of this state, unless the driver's operating privileges are otherwise suspended. After receiving the citation, the driver shall keep the citation in the motor vehicle at all times while driving the motor vehicle as provided in this subparagraph, as proof of the driver's privilege to drive the motor vehicle for such limited time and purpose.

(4) (a) Issue a citation, remove the motor vehicle's license plates and registration receipt, and impound the motor vehicle. The peace officer shall deliver the plates for destruction, as appropriate, and forward the registration receipt and evidence of the violation, as determined by the department, to the county treasurer of the county in which the motor vehicle is registered.

(b) A motor vehicle which is impounded may be claimed by a person if the owner provides proof of financial liability coverage and proof of payment of any applicable fine and the costs of towing and storage for the motor vehicle. If the motor vehicle is not claimed within thirty days after impoundment, the motor vehicle may be treated as an abandoned vehicle pursuant to [section 321.89](#).

(c) The holder of a security interest in a motor vehicle which is impounded pursuant to this subparagraph shall be notified of the impoundment within seventy-two hours of the impoundment of the motor vehicle and shall have the right to claim the motor vehicle upon the payment of all fees. However, if the value of the vehicle is less than the security interest, all fees shall be divided equally between the lienholder and the political subdivision impounding the vehicle.

b. An owner or driver of a motor vehicle who is charged with a violation of [subsection 1](#) and issued a citation under paragraph "a", subparagraph (3) or (4), is subject to the following:

(1) An owner or driver who produces to the clerk of court, prior to the date of the individual's court appearance as indicated on the citation, proof that financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited, or, if the driver is not the owner of the motor vehicle, proof that liability coverage was in effect for the driver with respect to the motor vehicle being driven at the time the driver was stopped and cited, in the same manner as if the motor vehicle were owned by the driver, shall be given a receipt indicating that such proof was provided and be subject to one of the following:

(a) If the person was cited pursuant to paragraph "a", subparagraph (3), the owner or driver shall provide a copy of the receipt to the county treasurer of the county in which the motor vehicle is registered and the owner shall be assessed a fifteen dollar administrative fee by the county treasurer who shall issue new license plates and registration to the person after payment of the fee.

(b) If the person was cited pursuant to paragraph "a", subparagraph (4), the owner or driver, after the owner provides proof of financial liability coverage to the clerk of court, may claim the motor vehicle after such person pays any applicable fine and the costs of towing and storage for the motor vehicle, and the owner or driver provides a copy of the receipt and the owner pays to the county treasurer of the county in which the motor vehicle is registered a fifteen dollar administrative fee, and the county treasurer shall issue new license plates and registration to the person.

(2) An owner or driver who is charged with a violation of [subsection 1](#) and is unable to show that financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited may do either of the following:

(a) Sign an admission of violation on the citation and remit to the clerk of court a scheduled fine as provided in [section 805.8A](#), [subsection 14](#), paragraph "f", for a violation of [subsection 1](#). Upon payment of the fine to the clerk of court of the county where the citation was issued, payment of a fifteen dollar administrative fee to the county treasurer of the county in which the motor vehicle is registered, and providing proof of payment of any applicable fine and proof of financial liability coverages to the county treasurer of the county in which the motor vehicle is registered, the treasurer shall issue new license plates and registration to the owner.

(b) Request an appearance before the court on the matter. If the matter goes before the

court, and the owner or driver is found guilty of a violation of [subsection 1](#), the court may impose a fine as provided in [section 805.8A, subsection 14](#), paragraph “f”, for a violation of [subsection 1](#), or the court may order the person to perform unpaid community service instead of the fine. Upon the payment of the fine or the entry of the order for unpaid community service, the person shall provide proof of payment or entry of such order and the county treasurer of the county in which the motor vehicle is registered shall issue new license plates and registration to the owner upon the owner providing proof of financial liability coverage and paying a fifteen dollar administrative fee to the county treasurer.

c. An owner or driver cited for a violation of [subsection 1](#), who produces to the clerk of court prior to the date of the person’s court appearance as indicated on the citation proof that financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited, shall not be convicted of such violation and the citation issued shall be dismissed by the court. Upon dismissal, the court or clerk of court shall assess the costs of the action against the defendant named on the citation.

5. If the motor vehicle is not registered in this state and the driver is a nonresident, the peace officer shall do one of the following:

a. Issue a warning memorandum to the driver.

b. Issue a citation. An owner or driver who produces to the clerk of court prior to the date of the person’s court appearance as indicated on the citation proof that the financial liability coverage was in effect for the motor vehicle at the time the person was stopped and cited, or if the driver is not the owner of the motor vehicle, proof that liability coverage was in effect for the driver with respect to the motor vehicle being driven at the time the driver was stopped and cited in the same manner as if the motor vehicle were owned by the driver, shall be given a receipt indicating that proof was provided, and the citation issued shall be dismissed by the court. Upon dismissal, the court or clerk of court shall assess the costs of the action against the defendant named on the citation.

6. [This section](#) does not apply to a motor vehicle identified in [section 321.18, subsection 1, 2, 3, 4, 5, 6, or 8](#).

7. [This section](#) does not apply to a lienholder who has a security interest in a motor vehicle subject to the registration requirements of [this chapter](#), so long as such lienholder maintains financial liability coverage for any motor vehicle driven or moved by the lienholder in which the lienholder has an interest.

8. [This section](#) does not apply to a motor vehicle owned by a motor vehicle dealer or wholesaler licensed pursuant to [chapter 322](#).

9. The director of transportation and the commissioner of insurance shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

[97 Acts, ch 139, §2, 17, 18; 98 Acts, ch 1100, §41; 98 Acts, ch 1121, §1 – 4, 8, 9; 99 Acts, ch 110, §1; 99 Acts, ch 114, §19; 2001 Acts, ch 32, §16; 2002 Acts, ch 1050, §32; 2003 Acts, ch 151, §23 – 25; 2006 Acts, ch 1144, §1 – 3; 2007 Acts, ch 215, §105; 2008 Acts, ch 1031, §111; 2012 Acts, ch 1138, §29; 2013 Acts, ch 103, §5, 6](#)

Referred to in [§321.1, 321.54, 321.55, 321.89, 321.234A, 321.515, 321.516, 321A.34, 321K.1, 321N.4, 322.7B, 326.25, 331.557, 805.8A\(14\)\(f\)](#)