

321A.5 Security required following accident — exceptions.

1. The department shall, immediately or within sixty days after the receipt of a report of a motor vehicle accident within this state which has resulted in bodily injury or death or damage to the property of any one person in the amount of one thousand five hundred dollars or more, suspend the license of each operator and all registrations of each owner of a motor vehicle in any manner involved in the accident, and if the operator is a nonresident the privilege of operating a motor vehicle within this state, and if the owner is a nonresident the privilege of the use within this state of any motor vehicle owned by the owner, unless the operator or owner or both shall deposit security in a sum which shall be sufficient in the judgment of the department to satisfy any judgment or judgments for damages resulting from the accident as may be recovered against the operator or owner; provided notice of the suspension shall be sent by the department to the operator and owner not less than ten days prior to the effective date of the suspension and shall state the amount required as security.

2. [This section](#) shall not apply under the conditions stated in [section 321A.6](#) or to any of the following:

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

b. To such operator, if not the owner of such motor vehicle, if there was in effect at the time of such accident an automobile liability policy or bond with respect to the operator's operation of motor vehicles not owned by the operator;

c. To such operator or owner if the liability of such operator or owner for damages resulting from such accident is, in the judgment of the department, covered by any other form of liability insurance policy or bonds; or

d. To such owner if such owner is at the time of such accident qualified as a self-insurer under [section 321A.34](#), or to any such operator operating such motor vehicle for such self-insurer.

3. A policy or bond 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 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, the policy or bond is not effective under [this section](#) unless the insurance company or surety company if not authorized to do business in this state executes a power of attorney authorizing the department to accept service on its behalf of notice or process in any action upon the policy or bond arising out of the accident. 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.

4. Upon receipt of a report of a motor vehicle accident and information that an automobile liability policy or surety bond meeting the requirements of [this chapter](#) was in effect at the time of this accident covering liability for damages resulting from such accident, the department shall forward by regular mail to the insurance carrier or surety carrier which issued such policy or bond a copy of such information concerning insurance or bond coverage, and it shall be presumed that such policy or bond was in effect and provided coverage to both the operator and the owner of the motor vehicle involved in such accident unless the insurance carrier or surety carrier shall notify the department otherwise within fifteen days from the mailing of such information to such carrier; provided, however, that in the event the department shall later ascertain that erroneous information had been given the department in respect to the insurance or bond coverage of the operator or owner of a motor vehicle involved in such accident, the department shall take such action as the department is otherwise authorized to do under [this chapter](#) within sixty days after the receipt by the department of correct information with respect to such coverage.

5. Notwithstanding any provision of [this section](#) to the contrary, the department and a county treasurer shall not refuse registration and issuance or transfer of a certificate of title to a person required by [this section](#) to deposit security, but the registration, once issued, shall be immediately suspended and the suspension shall remain in effect unless and until the owner deposits security in accordance with [this section](#).

[C31, 35, §5079-c4; C39, §5021.01; C46, §321.275; C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §321A.5; 81 Acts, ch 103, §8]

92 Acts, ch 1175, §43; 97 Acts, ch 72, §2; 2006 Acts, ch 1068, §32; 2010 Acts, ch 1061, §180; 2011 Acts, ch 38, §19; 2022 Acts, ch 1021, §76; 2023 Acts, ch 67, §2

Referred to in §321.30, 321A.2, 321A.6, 321A.7, 321A.8, 321A.9, 321A.10, 321A.11, 321A.32