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SENATE FILE **2210**
BY COMMITTEE ON TRANSPORTATION
(formerly SSB 2090)
Approved (p. 456)

Passed Senate, Date 3-4-86 (p. 536) Passed House, Date 4-28-86 (p. 1828)
Vote: Ayes 28 Nays 20 Vote: Ayes 81 Nays 15

Approved May 23 1986

Repassed Senate 4-29-86 (p. 1444)
42-7

A BILL FOR

1 An Act requiring insurance companies to lower automobile
2 liability insurance premiums to reflect the reduction in
3 annual losses occasioned by the enactment of the mandatory
4 seat belt bill.

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

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S.F. 2210

1 Section 1. NEW SECTION. 516B.1 DEFINITIONS.

2 As used in this chapter, unless otherwise required by the
3 context:

4 1. "Automobile liability policy" means an insurance policy
5 issued by an insurance carrier authorized to do business in
6 this state to or for the benefit of the person named in the
7 policy as insured against loss from liability imposed by law
8 for damages arising out of ownership, maintenance, or use of
9 an insured automobile.

10 2. "Commissioner" means the commissioner of insurance.

11 Sec. 2. NEW SECTION. 516B.2 REDUCTION IN PREMIUMS TO
12 REFLECT REDUCTIONS IN LOSSES.

13 The commissioner shall require that insurance companies
14 transacting business in this state reduce the automobile lia-
15 bility insurance premiums charged insureds in this state for
16 liability insurance renewed or issued on or after July 1,
5605 17 1986. The reduction in insurance premiums, on a statewide
18 basis, shall be at whatever amount the commissioner of
19 insurance deems appropriate as reflecting the reduction in
20 annual losses incurred by the insurance companies with the
21 enactment of Senate File 499 by the Seventy-first General
22 Assembly. The commissioner of insurance may annually make
23 adjustments to the reduction in insurance premiums as the
24 commissioner deems appropriate considering the latest
5281 25 statistics available to the commissioner.

26 EXPLANATION

27 This bill requires insurance companies transacting business
28 in this state to reduce their automobile liability insurance
29 premiums charged insureds in this state by whatever amount the
30 commissioner of insurance deems appropriate to reflect the re-
31 duction in annual losses incurred by the insurance companies
32 with the enactment of the mandatory seat belt bill.

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SENATE FILE 2210

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1 Amend the Committee on Small Business and Commerce
2 amendment, H-5605, to Senate File 2210 as passed by
3 the Senate as follows:

4 1. Page 1, by inserting before line 3 the
5 following:

6 "____. Page 1, by inserting before line 1 the
7 following:

8 "Sec. ____ Section 321.1, Code Supplement 1985, is
9 amended by adding the following new subsections:

10 NEW SUBSECTION. 87. "Liability insurance
11 coverage" means any of the following:

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

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

32 c. A bond filed with the director pursuant to
33 section 321A.24.

34 d. A valid certificate of deposit of money or
35 security issued by the treasurer of state pursuant to
36 section 321A.25.

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

43 Sec. ____ NEW SECTION. 321.20A PROOF OF SECURITY
44 AGAINST LIABILITY.

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

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1 is in effect for the motor vehicle and unless the
2 driver has in the motor vehicle the proof of insurance
3 card issued for the motor vehicle.

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

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

24 4. The requirements of this section do not apply
25 to insured owners of motor vehicles required to
26 maintain minimum limits of liability coverage as
27 required in sections 325.26, 327.15, 327A.5, 327B.1,
28 and 327B.6.

29 Sec. _____. Section 321.54, unnumbered paragraph 1,
30 Code 1985, is amended to read as follows:

31 Nonresident owners of foreign vehicles operated
32 within this state for the intrastate transportation of
33 persons or property for compensation or for the
34 intrastate transportation of merchandise shall
35 register and maintain liability insurance coverage for
36 each such vehicle and pay the same fees therefor-as-is
37 required with-reference-to for like vehicles owned by
38 residents of this state.

39 Sec. _____. Section 321.55, Code 1985, is amended to
40 read as follows:

41 321.55 REGISTRATION REQUIRED FOR CERTAIN VEHICLES
42 OWNED OR OPERATED BY NONRESIDENTS.

43 A nonresident owner or operator engaged in
44 remunerative employment within the state or carrying
45 on business within the state and owning or operating a
46 motor vehicle, trailer, or semitrailer within the
47 state shall register and maintain liability insurance
48 coverage for each such vehicle and pay the same fees
49 for registration as are paid for like vehicles owned
50 by residents of this state. However, this paragraph

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1 does not apply to a person commuting from the person's
2 residence in another state or whose employment is
3 seasonal or temporary, not exceeding ninety days.

4 A nonresident owner of a motor vehicle operated
5 within the state by a resident of the state shall
6 register the vehicle and shall maintain liability
7 insurance coverage for the vehicle. The nonresident
8 owner shall pay the same fees for registration as are
9 paid for like vehicles owned by residents of this
10 state. However, registration under this paragraph
11 does-not-apply-to is not required for vehicles being
12 operated by residents temporarily, not exceeding
13 ninety days. It is unlawful for a resident to operate
14 within the state an unregistered motor vehicle
15 required to be registered under this paragraph.

16 Sec. _____. Section 321.57, unnumbered paragraph 1,
17 Code 1985, is amended to read as follows:

18 A dealer owning any vehicle of a type otherwise
19 required to be registered hereunder under this chapter
20 may operate or move the same vehicle upon the highways
21 solely for purposes of transporting, testing,
22 demonstrating or selling the same vehicle without
23 registering each-such the vehicle upon condition that
24 any-such the vehicle display in the manner prescribed
25 in sections 321.37 and 321.38 a special plate issued
26 to such the owner as provided in sections 321.58 to
27 321.62. In-addition-to-the-foregoing, a However, if
28 the vehicle is a motor vehicle the dealer shall
29 maintain liability insurance coverage for the motor
30 vehicle as required under section 321.20A. A new car
31 dealer or a used car dealer may operate or move upon
32 the highways any new or used car or trailer owned by
33 the dealer for either private or business purposes
34 without registering the-same it providing,-(1)-such
35 the new or used car or trailer is in the dealer's
36 inventory and is continuously offered for sale at
37 retail, and -(2) there is displayed thereon on it a
38 special plate issued to such the dealer as provided in
39 sections 321.58 to 321.62.

40 Sec. _____. Section 321.492, unnumbered paragraph 1,
41 Code 1985, is amended to read as follows:

42 Any peace officer is authorized to stop any vehicle
43 to require exhibition of the driver's motor vehicle
44 license, to require exhibition of the proof of
45 insurance card issued for the vehicle if the vehicle
46 is a motor vehicle registered in this state, to serve
47 a summons or memorandum of traffic violation, to
48 inspect the condition of the vehicle, to inspect the
49 vehicle with reference to size, weight, cargo, log
50 book, bills of lading or other manifest of employment,

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1 tires and safety equipment, or to inspect the
2 registration certificate, the compensation
3 certificate, travel order, or permit of the vehicle.
4 Sec. ____ . Section 321A.24, subsection 1, Code
5 1985, is amended to read as follows:
6 1. Proof of financial responsibility may be
7 evidenced by the bond of a surety company duly
8 authorized to transact business within this state, or
9 a bond with at least two individual sureties each
10 owning real estate within this state, and together
11 having equities equal in value to at least twice the
12 amount of the bond, which real estate shall be
13 scheduled in the bond approved by a judge or clerk of
14 a court of record, which ~~said~~ bond shall be
15 conditioned for payment of the amounts specified in
16 section 321A.1, subsection 10. ~~Such~~ The bond shall be
17 filed with the director and shall not be cancelable
18 except after ten days' written notice to the director.
19 Such The director shall issue to the person filing the
20 bond, a bond insurance card for each motor vehicle
21 registered by the person in the state. The bond
22 insurance card shall state the name and address of the
23 person and the motor vehicle registration number of
24 the vehicle for which the card is issued. The bond
25 shall constitute a lien in favor of the state upon the
26 real estate so scheduled of any surety, which lien
27 shall exist in favor of any holder of a final judgment
28 against the person who has filed ~~such~~ the bond, for
29 damages, including damages for care and loss of
30 services, because of bodily injury to or death of any
31 person, or for damage because of injury to or
32 destruction of property, including the loss of use
33 thereof of the property, resulting from the ownership,
34 maintenance, use, or operation of a motor vehicle
35 after ~~such~~ the bond was filed, upon the filing of
36 notice to that effect by the director in the office of
37 the proper clerk of court of the county where ~~such~~ the
38 real estate ~~shall-be~~ is located. ~~Any~~ An individual
39 surety ~~so~~ scheduling real estate security shall
40 furnish satisfactory evidence of title ~~thereto~~ to the
41 property and the nature and extent of all encumbrances
42 thereon on the property and the value of the surety's
43 interest ~~therein~~ in the property, in ~~such~~ the manner
44 as the judge or clerk of the court of record approving
45 the bond ~~may-require~~ requires. The notice filed by
46 the director shall, in addition to any other matters
47 deemed by the director to be pertinent, contain a
48 legal description of the real estate ~~so~~ scheduled, the
49 name of the holder of the record title, the amount for
50 which it stands as security, and the name of the

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1 person in whose behalf proof is so being made. Upon
2 the filing of ~~such the~~ notice the clerk of the court
3 of such county shall retain the same notice as part of
4 the records of ~~such the~~ court and enter upon the
5 encumbrance book the date and hour of filing, the name
6 of the surety, the name of the record titleholder, the
7 description of the real estate, and the further
8 notation that a lien is charged on ~~such the~~ real
9 estate pursuant to the filed notice filed hereunder.
10 From and after the entry of the foregoing notice upon
11 the encumbrance book all persons ~~whomsoever shall be~~
12 are charged with notice thereof of it.

13 Sec. ____. Section 321A.25, subsection 1, Code
14 1985, is amended to read as follows:

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

47 Sec. ____. Section 321A.34, subsections 2 and 3,
48 Code 1985, are amended to read as follows:

49 2. The director may, in the director's discretion,
50 upon the application of such a person, issue a

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1 certificate of self-insurance when the director is
 2 satisfied that such the person is possessed and will
 3 continue to be possessed of ability to pay judgments
 4 obtained against such the person for damages arising
 5 out of the ownership, maintenance, or use of any
 6 vehicle owned by such the person. However, a
 7 certificate of self-insurance shall not be issued
 8 unless the person files a bond under section 321A.24
 9 or cash or securities under section 321A.25. The
 10 director shall issue to each person who has in effect
 11 a valid certificate of self-insurance, a self-
 12 insurance card for each motor vehicle registered in
 13 this state by the person. The card shall state the
 14 name and address of the person and shall state the
 15 registration number of the motor vehicle for which the
 16 card was issued.

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

30 Sec. ____ . Section 516A.1, Code 1985, is amended to
 31 read as follows:

32 516A.1 COVERAGE INCLUDED IN EVERY LIABILITY POLICY--
 33 --REJECTION-BY-INSURED.

34 No An automobile liability or motor vehicle
 35 liability insurance policy insuring against liability
 36 for bodily injury or death arising out of the
 37 ownership, maintenance, or use of a motor vehicle
 38 shall not be delivered or issued for delivery in this
 39 state with respect to any motor vehicle registered or
 40 principally garaged in this state, unless coverage is
 41 provided in such the policy or supplemental thereto to
 42 the policy, for the protection of persons insured
 43 under such the policy who are legally entitled to
 44 recover damages from the owner or operator of an
 45 uninsured motor vehicle or a hit-and-run motor vehicle
 46 or an underinsured motor vehicle because of bodily
 47 injury, sickness, or disease, including death
 48 resulting therefrom, caused by accident and arising
 49 out of the ownership, maintenance, or use of such the
 50 uninsured or underinsured motor vehicle, or arising

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1 out of physical contact of such the hit-and-run motor
 2 vehicle with the person insured or with a motor
 3 vehicle which the person insured is occupying at the
 4 time of the accident. Both the uninsured motor
 5 vehicle or hit-and-run motor vehicle coverage, and the
 6 underinsured motor vehicle coverage shall include
 7 limits for bodily injury or death at least equal to
 8 those ~~stated in section 321A.17 subsection 10~~ provided
 9 in the automobile or motor vehicle liability coverage
 10 of the policy. The form and provisions of such the
 11 coverage shall be examined and approved by the
 12 commissioner of insurance.

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

26 2. Page 1, by inserting after line 4 the
 27 following:

28 "_____. Page 1, by inserting after line 25 the
 29 following:

30 "Sec. _____. NEW SECTION. 516B.3 PROHIBITION
 31 AGAINST POLICY RATE INCREASES SOLELY BECAUSE OF CLAIM
 32 FILED FOR ACCIDENTS INVOLVING UNINSURED OR
 33 UNDERINSURED MOTORISTS.

34 The rate for an insured's automobile insurance or
 35 motor vehicle insurance policy insuring against injury
 36 or damages arising out of use of a motor vehicle
 37 registered in this state delivered or issued for
 38 delivery in this state shall not be increased solely
 39 because a claim or claims against the policy were made
 40 due to injury or damages sustained caused by accident
 41 and arising out of the use of an uninsured or
 42 underinsured motor vehicle.

43 Sec. _____. NEW SECTION. 516B.4 APPLICATION.

44 Section 516B.3 applies only to accidents in which
 45 the driver of the uninsured or underinsured motor
 46 vehicle is charged with violating section 321.20A.
 47 The section also applies only in accidents where the
 48 insured was not at fault in the accident. The
 49 commissioner of insurance shall adopt rules pursuant
 50 to chapter 17A determining the reasonable percentage

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1 of fault at which the insured shall be deemed to be
2 not at fault in an accident, however, the rules
3 adopted shall require that the percentage of fault be
4 less than fifty percent.

5 Sec. ____ . NEW SECTION. 516C.1 DEFINITIONS.

6 As used in this chapter, unless the context
7 otherwise requires:

8 1. "Department" means the insurance department of
9 Iowa.

10 2. "Commissioner" means the commissioner of
11 insurance or the commissioner's designee.

12 3. "Victim" means a person who suffers personal
13 injury or death as a result of an accident arising out
14 of the ownership, maintenance, or use of an uninsured
15 motor vehicle in the state and who is not the owner of
16 the uninsured motor vehicle.

17 4. "Dependent" means a person wholly or partially
18 dependent upon a victim for care or support and
19 includes a child of the victim born after the victim's
20 death.

21 5. "Reparation" means compensation awarded by the
22 commissioner as authorized by this chapter.

23 Sec. ____ . NEW SECTION. 516C.2 AWARD OF
24 REPARATION.

25 The commissioner shall award reparations authorized
26 by this chapter if the commissioner is satisfied that
27 the requirements for reparation have been met.

28 Sec. ____ . NEW SECTION. 516C.3 DUTIES OF
29 COMMISSIONER.

30 The commissioner shall:

31 1. Adopt rules pursuant to chapter 17A relating to
32 the administration of the uninsured motorists' victim
33 reparation program, including the filing of claims
34 pursuant to the program, and the hearing and
35 disposition of the claims.

36 2. Hear claims, determine the results relating to
37 claims, and reinvestigate and reopen cases as
38 necessary.

39 3. Publicize through the department, state
40 department of transportation, county sheriff
41 departments, municipal police departments, county
42 attorney offices, and other public or private
43 agencies, the existence of the uninsured motorists'
44 victim reparation program, including the procedures
45 for obtaining reparation under the program.

46 4. Require medical examinations of victims as
47 needed. The victim shall be responsible for the cost
48 of the medical examination if reparation is made. The
49 department shall be responsible for the cost of the
50 medical examination from moneys deposited in the

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1 uninsured motorists' victim reparation fund if
2 reparation is not made to the victim unless the cost
3 of the examination is payable as a benefit under an
4 insurance policy or subscriber contract covering the
5 victim or the cost is payable by a health maintenance
6 organization.

7 Sec. ____. NEW SECTION. 516C.4 APPLICATION FOR
8 REPARATION.

9 1. To claim a reparation under the uninsured
10 motorists' victim reparation program, a person shall
11 apply in writing on a form prescribed by the
12 commissioner and file the application with the
13 commissioner within one hundred eighty days after the
14 date of the accident or within one hundred twenty days
15 after the date of death of the victim.

16 2. A person is not eligible for reparation unless
17 the accident was reported to the local police
18 department or county sheriff department within
19 seventy-two hours of its occurrence. However, if the
20 accident cannot reasonably be reported within that
21 time period, the accident shall have been reported
22 within seventy-two hours of the time a report can
23 reasonably be made.

24 Sec. ____. NEW SECTION. 516C.5 REPARATIONS
25 PAYABLE.

26 On or after July 1, 1987, the commissioner may
27 order the payment of reparation:

28 1. To or for the benefit of the person filing the
29 claim.

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

33 3. To or for the benefit of one or more dependents
34 of the victim, in the case of death of the victim. If
35 two or more dependents are entitled to a reparation,
36 the reparation may be apportioned by the commissioner
37 as the commissioner determines to be fair and
38 equitable among the dependents.

39 Sec. ____. NEW SECTION. 516C.6 COMPUTATION OF
40 REPARATION.

41 The commissioner shall make reparation, as
42 appropriate, for any of the following economic losses
43 incurred as a direct result of an injury to or death
44 of the victim:

45 1. Reasonable charges incurred for medical care
46 not to exceed ten thousand dollars.

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

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1 3. Reasonable funeral and burial expenses not to
2 exceed two thousand five hundred dollars.

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

7 Sec. ____ . NEW SECTION. 516C.7 REDUCTIONS AND
8 DISQUALIFICATIONS.

9 Reparations are subject to reduction and
10 disqualification as follows:

11 1. A reparation shall be reduced by the amount of
12 any payment received, or to be received, as a result
13 of the injury or death:

14 a. From or on behalf of, the owner or driver of
15 the uninsured motor vehicle.

16 b. From an insurance payment or program, including
17 but not limited to workers' compensation or
18 unemployment compensation.

19 c. From public funds.

20 d. As an emergency award under section 516C.11.

21 2. A person is disqualified from receiving a
22 reparation if the victim has not cooperated with an
23 appropriate law enforcement agency in the
24 investigation or prosecution of the accident relating
25 to the claim, or has not cooperated with the
26 department in the administration of the uninsured
27 motorists' victim reparation program.

28 Sec. ____ . NEW SECTION. 516C.8 REPARATION WHEN
29 MONEY INSUFFICIENT.

30 Notwithstanding this chapter a victim otherwise
31 qualified for a reparation under the uninsured
32 motorists' victim reparation program, is not entitled
33 to the reparation when there is insufficient money in
34 the uninsured motorists' victim reparation fund to pay
35 the reparation.

36 Sec. ____ . NEW SECTION. 516C.9 ERRONEOUS OR
37 FRAUDULENT PAYMENT -- PENALTY.

38 1. If a payment or overpayment of a reparation is
39 made because of clerical error, mistaken identity,
40 innocent misrepresentation by or on behalf of the
41 recipient, or other circumstances of a similar nature,
42 not induced by fraud by or on behalf of the recipient,
43 the recipient is liable for repayment of the
44 reparation. The commissioner may waive, decrease, or
45 adjust the amount of the repayment of the reparation.
46 However, if the commissioner does not notify the
47 recipient of the erroneous payment or overpayment
48 within one year of the date the reparation was made,
49 the recipient is not liable for the repayment of the
50 reparation.

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

4 Sec. ____ . NEW SECTION. 516C.10 RELEASE OF
5 INFORMATION.

6 A person in possession or control of investigative
7 or other information pertaining to an uninsured
8 motorists' accident or a victim filing for a
9 reparation shall allow the inspection and reproduction
10 of the information by the commissioner upon the
11 request of the commissioner, to be used only in the
12 administration and enforcement of the uninsured
13 motorists' victim reparation program. Information and
14 records which are confidential under section 22.7 and
15 information or records received from the confidential
16 information or records remain confidential under this
17 section.

18 A person does not incur legal liability by reason
19 of releasing information to the commissioner as
20 required under this section.

21 Sec. ____ . NEW SECTION. 516C.11 EMERGENCY PAYMENT
22 REPARATION.

23 If the commissioner determines that reparation may
24 be made and that undue hardship may result to the
25 person if partial immediate payment is not made, the
26 commissioner may order an emergency reparation to be
27 made to the person, not to exceed five hundred
28 dollars.

29 Sec. ____ . NEW SECTION. 516C.12 RIGHT OF ACTION
30 AGAINST PERPETRATOR -- SUBROGATION.

31 A right of legal action by the victim against the
32 owner or driver of an uninsured motor vehicle is not
33 lost as a consequence of a person receiving reparation
34 under the uninsured motorists' victim reparation
35 program. If a person receiving reparation under the
36 program seeks indemnification which would reduce the
37 reparation under section 516C.7, subsection 1, the
38 commissioner is subrogated to the recovery to the
39 extent of payments by the commissioner to or on behalf
40 of the person. The commissioner has a right of legal
41 action against the owner or operator of an uninsured
42 motor vehicle involved in an accident resulting in
43 payment of reparation by the department to the extent
44 of the reparation payment. However, legal action by
45 the commissioner does not affect the right of a person
46 to seek further relief in other legal actions.

47 Sec. ____ . NEW SECTION. 516C.13 UNINSURED
48 MOTORISTS' VICTIM REPARATION FUND.

49 The uninsured motorists' victim reparation fund is
50 created. Notwithstanding section 602.8106, all fines

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1 from violations of section 321.20A, subsection 1,
2 received by the treasurer of state shall be deposited
3 in the uninsured motorists' victim reparation fund.
4 The state comptroller shall report monthly to the
5 commissioner an account of all credits and
6 disbursements from the fund. The state comptroller
7 shall issue warrants for disbursements from the fund
8 upon proper certification by the commissioner.

9 Sec. _____. Section 805.6, Code Supplement 1985, is
10 amended by adding the following new subsection:

11 NEW SUBSECTION. 7. A person who has been stopped
12 by a peace officer pursuant to section 321.492 and who
13 exhibited to the peace officer a proof of insurance
14 card as defined under section 321.1, subsection 88,
15 issued for the driven motor vehicle which, upon
16 subsequent investigation by the peace officer, is
17 found to be invalid, may be issued a uniform citation
18 and complaint for a violation of section 321.20A,
19 subsection 1, without the need of obtaining the
20 signature of the person to whom the uniform citation
21 and complaint is issued. The uniform citation and
22 complaint shall be served in the manner of an original
23 notice by R.C.P. 56.1, paragraph "a" or by certified
24 mail addressed to the person at the address shown by
25 the records of the state department of transportation.
26 Return acknowledgement is required to prove the latter
27 service.

28 Sec. _____. Section 805.8, subsection 2, Code
29 Supplement 1985, is amended by adding the following
30 new paragraph:

31 NEW PARAGRAPH. If, in connection with a motor
32 vehicle accident, a person is charged and found guilty
33 of a violation of section 321.20A, subsection 1, the
34 scheduled fine is five hundred dollars, otherwise the
35 scheduled fine for violations of section 321.20A,
36 subsection 1 is one hundred dollars.

37 Sec. _____. Section 516A.2, Code 1985, is repealed.

38 Sec. _____. This Act takes effect January 1, 1987.
39 In order to implement this Act, the insurance
40 department of Iowa and the state department of
41 transportation shall adopt rules as required under
42 this Act by October 1, 1986. The treasurer of state
43 shall notify the director of transportation of the
44 names and addresses of persons who are issued valid
45 certificates under section 321A.25, subsection 1, by
46 November 1, 1986, and after that date the treasurer of
47 state shall notify the director of transportation as
48 required under section 321A.25, subsection 1, as
49 amended by this Act. Insurance carriers authorized to
50 do business in this state and the director of

H-6038

Page Thirteen

- 1 transportation shall distribute proof of insurance
- 2 cards as required under this Act by December 1, 1986."
- 3 _____. Title page, line 1, by inserting after the
- 4 word "Act" the following: "relating to motor vehicle
- 5 insurance including insurance coverage requirements
- 6 for motor vehicles in this state, creating the
- 7 uninsured motorists' victim reparation fund, and
- 8 providing provisions".
- 9 _____. Title page, line 4, by inserting after the
- 10 word "bill" the following: "and providing a penalty
- 11 and effective dates".
- 12 _____. By renumbering as necessary."

H-6038 FILED APRIL 28, 1986 BY SWARTZ of Marshall
NOT GERMANE (p. 1827)

SENATE FILE 2210

H-5681

- 1 Amend Senate File 2210 as passed by the Senate as
- 2 follows:
- 3 1. Page 1, by inserting after line 25 the
- 4 following:
- 5 "In making the determination on the amount of
- 6 reduction of automobile liability insurance premiums
- 7 which takes effect July 1, 1987, the commissioner may
- 8 employ or contract with actuarial consultants as
- 9 necessary in making the determination. The reasonable
- 10 fees and expenses of an actuarial consultant employed
- 11 or contracted by the commissioner for the purpose of
- 12 determining the amount of the July 1, 1987 reduction
- 13 shall be assessed against and paid by the affected
- 14 insurance companies."
- 15 2. Renumber as necessary.

H-5681 FILED APRIL 3, 1986 BY SWARTZ of Marshall

Adopted 4/28 (p. 1828)

SENATE FILE 2210

H-5605

1 Amend Senate File 2210 as passed by the Senate
2 as follows:
3 1. Page 1, line 17, by striking the figure "1986"
4 and inserting the figure "1987".

H-5605 FILED MARCH 28, 1986

BY COMMITTEE ON SMALL
BUSINESS AND COMMERCE

Adopted 4/28 (p. 1827)

SENATE FILE 2210
Amendment H-5605
FISCAL NOTE

REQUESTED BY REPRESENTATIVE SWARTZ

In compliance with a written request received April 1, 1986, a fiscal note for AMENDMENT H-5605 TO SENATE FILE 2210 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 2210 requires the commissioner of insurance to require insurance companies transacting business in Iowa to reduce their automobile liability insurance premiums by whatever amount the commissioner deems appropriate to reflect the reduction in annual losses incurred with the enactment of the mandatory seat belt bill.

The bill pertains to policies issued or renewed on or after July 1, 1986. Amendment H-5605 changes this date to July 1, 1987.

FISCAL EFFECT: It is estimated that there will be one-time expense of \$30,000 to hire an actuarial consultant to analyze the effect of the mandatory seat belt law upon each of the large number of property and casualty insurance companies doing business in Iowa. The analysis involved in making the annual adjustments will be performed by existing insurance department staff.

Source: Department of Insurance

(LSB 8129S, JMN)

FILED APRIL 3, 1986

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE AMENDMENT TO
SENATE FILE 2210

5769

1 Amend Senate File 2210 as passed by the Senate as
2 follows:

3 1. Page 1, line 17, by striking the figure "1986"
4 and inserting the figure "1987".

5 2. Page 1, by inserting after line 25 the
6 following:

7 "In making the determination on the amount of
8 reduction of automobile liability insurance premiums
9 which takes effect July 1, 1987, the commissioner may
10 employ or contract with actuarial consultants as
11 necessary in making the determination. The reasonable
12 fees and expenses of an actuarial consultant employed
13 or contracted by the commissioner for the purpose of
14 determining the amount of the July 1, 1987 reduction
15 shall be assessed against and paid by the affected
16 insurance companies."

17 3. By renumbering, relettering, or redesignating
18 and correcting internal references as necessary.

S-5769 Filed April 28, 1986 REC'D FROM THE HOUSE

Senate concurred 4/29 (p. 1444)

TRANSPORTATION: Doyle, Chair; Hall and Jensen

SSB 2090

Doyle
Hall
Jensen

Now
SF 2210

SENATE FILE 2210

BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act requiring insurance companies to lower automobile
2 liability insurance premiums to reflect the reduction in
3 annual losses occasioned by the enactment of the mandatory
4 seat belt bill.

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

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1 Section 1. NEW SECTION. 516B.1 DEFINITIONS.

2 As used in this chapter, unless otherwise required by the
3 context:

4 1. "Automobile liability policy" means an insurance policy
5 issued by an insurance carrier authorized to do business in
6 this state to or for the benefit of the person named in the
7 policy as insured against loss from liability imposed by law
8 for damages arising out of ownership, maintenance, or use of
9 an insured automobile.

10 2. "Commissioner" means the commissioner of insurance.

11 Sec. 2. NEW SECTION. 516B.2 REDUCTION IN PREMIUMS TO
12 REFLECT REDUCTIONS IN LOSSES.

13 The commissioner shall require that insurance companies
14 transacting business in this state reduce the automobile lia-
15 bility insurance premiums charged insureds in this state for
16 liability insurance renewed or issued on or after July 1,
17 1986. The reduction in insurance premiums, on a statewide
18 basis, shall be at whatever amount the commissioner of
19 insurance deems appropriate as reflecting the reduction in
20 annual losses incurred by the insurance companies with the
21 enactment of Senate File 499 by the Seventy-first General
22 Assembly. The commissioner of insurance may annually make
23 adjustments to the reduction in insurance premiums as the
24 commissioner deems appropriate considering the latest
25 statistics available to the commissioner.

26 EXPLANATION

27 This bill requires insurance companies transacting business
28 in this state to reduce their automobile liability insurance
29 premiums charged insureds in this state by whatever amount the
30 commissioner of insurance deems appropriate to reflect the re-
31 duction in annual losses incurred by the insurance companies
32 with the enactment of the mandatory seat belt bill.

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SENATE FILE 2210

AN ACT

REQUIRING INSURANCE COMPANIES TO LOWER AUTOMOBILE LIABILITY INSURANCE PREMIUMS TO REFLECT THE REDUCTION IN ANNUAL LOSSES OCCASIONED BY THE ENACTMENT OF THE MANDATORY SEAT BELT BILL.

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

Section 1. NEW SECTION. 516B.1 DEFINITIONS.

As used in this chapter, unless otherwise required by the context:

1. "Automobile liability policy" means an insurance policy issued by an insurance carrier authorized to do business in this state to or for the benefit of the person named in the policy as insured against loss from liability imposed by law for damages arising out of ownership, maintenance, or use of an insured automobile.

2. "Commissioner" means the commissioner of insurance.

Sec. 2. NEW SECTION. 516B.2 REDUCTION IN PREMIUMS TO REFLECT REDUCTIONS IN LOSSES.

The commissioner shall require that insurance companies transacting business in this state reduce the automobile liability insurance premiums charged insureds in this state for liability insurance renewed or issued on or after July 1, 1987. The reduction in insurance premiums, on a statewide basis, shall be at whatever amount the commissioner of insurance deems appropriate as reflecting the reduction in annual losses incurred by the insurance companies with the enactment of Senate File 499 by the Seventy-first General Assembly. The commissioner of insurance may annually make adjustments to the reduction in insurance premiums as the commissioner deems appropriate considering the latest statistics available to the commissioner.

In making the determination on the amount of reduction of automobile liability insurance premiums which takes effect July 1, 1987, the commissioner may employ or contract with actuarial consultants as necessary in making the determination. The reasonable fees and expenses of an actuarial consultant employed or contracted by the commissioner for the purpose of determining the amount of the July 1, 1987 reduction shall be assessed against and paid by the affected insurance companies.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2210, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 23, 1986

TERRY E. BRANSTAD
Governor

S.F. 2210