

FEB 27 1996
TRANSPORTATION

HOUSE FILE 2353
BY HARPER

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

A BILL FOR

1 An Act establishing an exception to the suspension of a motor
2 vehicle operator's license related to providing evidence of
3 financial responsibility.

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

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HF 2353

1 Section 1. Section 321A.6, subsection 4, Code 1995, is
2 amended to read as follows:

3 4. If, prior to the date that the department would
4 otherwise suspend license and registration or nonresident's
5 operating privilege under section 321A.5, there shall be filed
6 with the department evidence satisfactory to the department
7 that the person who would otherwise have to file security has
8 been released from liability or been finally adjudicated not
9 to be liable or has executed a warrant for confession of
10 judgment, payable when and in such installments as the parties
11 have agreed to, or has provided evidence satisfactory to the
12 department that the person has made a reasonable and diligent
13 attempt to adjudicate or settle any claim of liability
14 associated with the accident, but has been unable to do so as
15 a result of the action or inaction of another person involved
16 in the accident to whom the person may be liable, or has
17 executed a duly acknowledged written agreement providing for
18 the payment of an agreed amount in installments, with respect
19 to all claims for injuries or damages resulting from the
20 accident; provided, however, in the event there shall be any
21 default in the payment of any installment under any confession
22 of judgment, then, upon notice of such default, the department
23 shall forthwith suspend the license and registration or
24 nonresident's operating privilege of such person defaulting
25 which shall not be restored unless and until the entire amount
26 provided for in said confession of judgment has been paid; and
27 provided, further, that in the event there shall be any
28 default in the payment of any installment under any duly
29 acknowledged written agreement, then, upon notice of such
30 default, the department shall forthwith suspend the license
31 and registration or nonresident's operating privilege of such
32 person defaulting which shall not be restored unless and
33 until:

34 a. Such person deposits and thereafter maintains security
35 as required under section 321A.5 in such amount as the

1 department may then determine; or
2 b. Twelve months after such security was required,
3 provided the department has not been notified that an action
4 upon such an agreement has been instituted in a court in this
5 state within one year after such security was required.

6 EXPLANATION

7 This bill provides that a person subject to providing proof
8 of financial responsibility is exempt from the security and
9 suspension provision of section 321A.5 if the person has
10 provided evidence satisfactory to the state department of
11 transportation that the person has made a reasonable and
12 diligent attempt to adjudicate or settle any claim of
13 liability resulting from an accident, but has been unable to
14 do so as a result of the action or inaction of another person
15 to whom the person may be liable.

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