

MAR 6 1997

HOUSE FILE 494
BY WEIGEL

COMMERCE AND REGULATION

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

A BILL FOR

1 An Act relating to the minimum liability limits under the state's
2 motor vehicle financial responsibility law.

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

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HF 494

1 Section 1. Section 321A.1, subsection 10, Code 1997, is
2 amended to read as follows:

3 10. PROOF OF FINANCIAL RESPONSIBILITY. Proof of ability
4 to respond in damages for liability, on account of accidents
5 occurring subsequent to the effective date of the proof,
6 arising out of the ownership, maintenance, or use of a motor
7 vehicle, in amounts-as-follows:--With-respect-to-accidents
8 occurring-on-or-after-January-1, 1981, and prior to January 1,
9 1983, the amount of fifteen thousand dollars because of bodily
10 injury-to-or-death-of-one-person-in-any-one-accident, and,
11 subject-to-the-limit-for-one-person, the amount of thirty
12 thousand-dollars-because-of-bodily-injury-to-or-death-of-two
13 or-more-persons-in-any-one-accident, and-the-amount-of-ten
14 thousand-dollars-because-of-injury-to-or-destruction-of
15 property-of-others-in-any-one-accident, and-with-respect-to
16 accidents-occurring-on-or-after-January-1, 1983, the amount of
17 twenty twenty-five thousand dollars because of bodily injury
18 to or death of one person in any one accident, and, subject to
19 the limit for one person, the amount of forty fifty thousand
20 dollars because of bodily injury to or death of two or more
21 persons in any one accident, and the amount of fifteen twenty-
22 five thousand dollars because of injury to or destruction of
23 property of others in any one accident.

24 Sec. 2. Section 321A.5, subsection 3, unnumbered paragraph
25 1, Code 1997, is amended to read as follows:

26 A policy or bond is not effective under this section unless
27 issued by an insurance company or surety company authorized to
28 do business in this state, except that if the motor vehicle
29 was not registered in this state, or was a motor vehicle which
30 was registered elsewhere than in this state at the effective
31 date of the policy or bond, or the most recent renewal thereof
32 of the policy or bond, the policy or bond is not effective
33 under this section unless the insurance company or surety
34 company if not authorized to do business in this state
35 executes a power of attorney authorizing the department to

1 accept service on its behalf of notice or process in any
2 action upon the policy or bond arising out of the accident.
3 ~~However, with respect to accidents occurring on or after~~
4 ~~January 1, 1981, and before January 1, 1983, every such policy~~
5 ~~or bond is subject, if the accident has resulted in bodily~~
6 ~~injury or death, to a limit, exclusive of interest and costs,~~
7 ~~of not less than fifteen thousand dollars because of bodily~~
8 ~~injury to or death of one person in any one accident and,~~
9 ~~subject to the limit for one person, to a limit of not less~~
10 ~~than thirty thousand dollars because of bodily injury to or~~
11 ~~death of two or more persons in any one accident, and, if the~~
12 ~~accident has resulted in injury to or destruction of property,~~
13 ~~to a limit of not less than ten thousand dollars because of~~
14 ~~injury to or destruction of property of others in any one~~
15 ~~accident, and with respect to accidents occurring on or after~~
16 ~~January 1, 1983, every such~~ Every policy or bond is subject,
17 if the accident has resulted in bodily injury or death, to a
18 limit, exclusive of interest and costs, of not less than
19 twenty twenty-five thousand dollars because of bodily injury
20 to or death of one person in any one accident and, subject to
21 the limit for one person, to a limit of not less than forty
22 fifty thousand dollars because of bodily injury to or death of
23 two or more persons in any one accident, and, if the accident
24 has resulted in injury to or destruction of property, to a
25 limit of not less than fifteen twenty-five thousand dollars
26 because of injury to or destruction of property of others in
27 any one accident.

28 Sec. 3. Section 321A.15, subsection 1, Code 1997, is
29 amended to read as follows:

30 ~~1. a. Judgments referred to in this chapter and rendered~~
31 ~~upon claims arising from accidents occurring on or after~~
32 ~~January 1, 1981, and before January 1, 1983, shall, for the~~
33 ~~purpose of this chapter only, be deemed satisfied when the~~
34 ~~following occur:~~

35 ~~(1) When fifteen thousand dollars has been credited upon~~

1 any judgment or judgments rendered in excess of that amount
2 because of bodily injury to or death of one person as the
3 result of any one accident.

4 (2) -- When, subject to the limit of fifteen thousand dollars
5 because of bodily injury to or death of one person, the sum of
6 thirty thousand dollars has been credited upon any judgment or
7 judgments rendered in excess of that amount because of bodily
8 injury to or death of two or more persons as the result of any
9 one accident.

10 (3) -- When ten thousand dollars has been credited upon any
11 judgment or judgments rendered in excess of that amount
12 because of injury to or destruction of property of others as a
13 result of any one accident.

14 b. 1. Judgments referred to in this chapter and rendered
15 upon claims arising from accidents occurring on or after
16 January 1, 1983, shall, for the purpose of this chapter only,
17 shall be deemed satisfied when the following occur:

18 (1) a. When twenty twenty-five thousand dollars has been
19 credited upon any judgment or judgments rendered in excess of
20 that amount because of bodily injury to or death of one person
21 as the result of any one accident.

22 (2) b. When, subject to the limit of twenty twenty-five
23 thousand dollars because of bodily injury to or death of one
24 person, the sum of forty fifty thousand dollars has been
25 credited upon any judgment or judgments rendered in excess of
26 that amount because of bodily injury to or death of two or
27 more persons as the result of any one accident.

28 (3) c. When fifteen twenty-five thousand dollars has been
29 credited upon any judgment or judgments rendered in excess of
30 that amount because of injury to or destruction of property of
31 others as a result of any one accident.

32 Sec. 4. Section 321A.21, subsection 2, paragraph b, Code
33 1997, is amended to read as follows:

34 b. Shall insure the person named in the policy and any
35 other person, as insured, using the motor vehicles with the

1 express or implied permission of the named insured, against
2 loss from the liability imposed by law for damages arising out
3 of the ownership, maintenance, or use of the motor vehicles
4 within the United States of America or the Dominion of Canada,
5 subject to limits exclusive of interest and costs, with
6 respect to each such motor vehicle, ~~as follows:--With respect~~
7 ~~to all accidents which occur on or after January 1, 1981, and~~
8 ~~before January 1, 1983, fifteen thousand dollars because of~~
9 ~~bodily injury to or death of one person in any one accident~~
10 ~~and, subject to said limit for one person, thirty thousand~~
11 ~~dollars because of bodily injury to or death of two or more~~
12 ~~persons in any one accident, and ten thousand dollars because~~
13 ~~of injury to or destruction of property of others in any one~~
14 ~~accident, and with respect to all accidents which occur on or~~
15 ~~after January 1, 1983, twenty twenty-five thousand dollars~~
16 because of bodily injury to or death of one person in any one
17 accident and, subject to ~~said~~ the limit for one person, ~~forty~~
18 fifty thousand dollars because of bodily injury to or death of
19 two or more persons in any one accident, and ~~fifteen~~ twenty-
20 five thousand dollars because of injury to or destruction of
21 property of others in any one accident.

22

EXPLANATION

23 This bill amends Code chapter 321A, relating to motor
24 vehicle financial responsibility, by raising the minimum
25 limits which an individual subject to that chapter is required
26 to maintain. Currently, an individual required to maintain
27 proof of financial responsibility must show an ability to
28 respond in damages for liability, on account of accidents
29 occurring subsequent to being required to maintain such proof
30 of \$20,000 because of bodily injury to or death of one person
31 in any one accident and, subject to the limit for one person,
32 \$40,000 because of bodily injury to or death of two or more
33 persons in any one accident, and \$15,000 because of injury to
34 or destruction of property of others in any one accident.
35 This bill increase those minimums to \$25,000 because of bodily

1 injury to or death of one person in any one accident and,
2 subject to the limit for one person, \$50,000 because of bodily
3 injury to or death of two or more persons in any one accident,
4 and \$25,000 because of injury to or destruction of property of
5 others in any one accident.

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