

# House File 510 - Introduced

HOUSE FILE \_\_\_\_\_  
BY KUHN

(COMPANION TO LSB 1315SS  
BY RAGAN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act allowing certain associations to qualify as self-insurers  
2 for purposes of Iowa's motor vehicle financial responsibility  
3 laws.

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

5 TLSB 1315HH 82

6 av/gg/14

PAG LIN

1 1 Section 1. Section 321.20B, subsection 2, paragraph b,  
1 2 Code 2007, is amended to read as follows:

1 3 b. The insurance division and the department, as  
1 4 appropriate, shall adopt rules regarding the contents of a  
1 5 financial liability coverage card to be issued pursuant to  
1 6 this section.

1 7 (1) Notwithstanding the provisions of this section, a  
1 8 fleet owner who is issued a certificate of self-insurance  
1 9 pursuant to section 321A.34, subsection 1, is not required to  
1 10 maintain in each vehicle a financial liability coverage card  
1 11 with the individual registration number or the vehicle  
1 12 identification number of the vehicle included on the card.  
1 13 Such fleet owner shall be required to maintain a financial  
1 14 liability coverage card in each vehicle in the fleet including  
1 15 information deemed appropriate by the commissioner of  
1 16 insurance or the director, as applicable.

1 17 (2) An association of individual members that is issued a  
1 18 certificate of self-insurance pursuant to section 321A.34,  
1 19 subsection 2, is required to maintain in each vehicle of an  
1 20 individual member a financial liability coverage card that  
1 21 complies with the provisions of this section and in addition  
1 22 contains information relating to the association and the  
1 23 association's certificate of self-insurance as is deemed  
1 24 appropriate by the commissioner of insurance or the director.

1 25 Sec. 2. Section 321A.34, subsections 1 and 2, Code 2007,  
1 26 are amended to read as follows:

1 27 1. a. Any person in whose name more than twenty-five  
1 28 motor vehicles are registered may qualify as a self-insurer by  
1 29 obtaining a certificate of self-insurance issued by the  
1 30 department as provided in ~~subsection 2 of this section~~  
1 31 paragraph "b".

1 32 ~~2. b.~~ b. The department may, upon the application of such a  
1 33 person, issue a certificate of self-insurance if the  
1 34 department is satisfied that the person has and will continue  
1 35 to have the ability to pay judgments obtained against the  
2 1 person for damages arising out of the ownership, maintenance,  
2 2 or use of any vehicle owned by the person. A person issued a  
2 3 certificate of self-insurance pursuant to this ~~section~~  
2 4 subsection shall maintain a financial liability coverage card  
2 5 as provided in section 321.20B, subsection 2, paragraph "b".  
2 6 subparagraph (1).

2 7 2. a. Any association of individual members that is a  
2 8 legal entity with the power to sue and be sued in its own name  
2 9 and which is composed of individual members in whose names a  
2 10 total of more than twenty-five motor vehicles are registered,  
2 11 may qualify as a self-insurer by obtaining a certificate of  
2 12 insurance issued by the department as provided in paragraph  
2 13 "b".

2 14 b. The department may, upon the application of such an  
2 15 association, issue a certificate of self-insurance if the  
2 16 department is satisfied that the association has and will

2 17 continue to have the ability to pay judgments obtained against  
2 18 the association or against an individual member of the  
2 19 association for damages arising out of the ownership,  
2 20 maintenance, or use of any vehicle owned by an individual  
2 21 member of the association. An association issued a  
2 22 certificate of self=insurance pursuant to this paragraph shall  
2 23 maintain a financial liability coverage card as provided in  
2 24 section 321.20B, subsection 2, paragraph "b", subparagraph  
2 25 (2).

2 26 EXPLANATION

2 27 This bill allows certain associations to qualify as  
2 28 self=insurers for purposes of Iowa's motor vehicle financial  
2 29 responsibility laws.

2 30 Code section 321.20B is amended to provide that an  
2 31 association of individual members that is issued a certificate  
2 32 of self=insurance pursuant to Code section 321A.34, subsection  
2 33 2, is required to maintain in each vehicle of an individual  
2 34 member a financial liability card that complies with the  
2 35 provisions of the section and in addition contains information  
3 1 relating to the association and the association's certificate  
3 2 of self=insurance as deemed appropriate by the commissioner of  
3 3 insurance or the director of the department of transportation.

3 4 Code section 321.34 is amended by adding a new subsection  
3 5 that allows an association of individual members that is a  
3 6 legal entity with the power to sue and be sued in its own name  
3 7 and which is composed of individual members in whose names a  
3 8 total of more than 25 motor vehicles are registered, to  
3 9 qualify as a self=insurer by obtaining a certificate of  
3 10 self=insurance issued by the department of transportation.

3 11 The bill further provides that the department shall issue  
3 12 such a certificate of self=insurance if the department is  
3 13 satisfied that the association has and will continue to have  
3 14 the ability to pay judgments obtained against the association  
3 15 or against an individual member of the association for damages  
3 16 arising out of the ownership, maintenance, or use of any  
3 17 vehicle owned by an individual member of the association. An  
3 18 association that is issued a certificate of self=insurance is  
3 19 required to maintain a financial liability coverage card as  
3 20 described above.

3 21 LSB 1315HH 82

3 22 av:nh/gg/14