

**House Study Bill 132 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON CARLSON)

**A BILL FOR**

1 An Act relating to financial responsibility requirements for  
2 liability arising out of the ownership, maintenance, or use  
3 of a motor vehicle.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.1, subsection 24B, paragraph a, Code  
2 2019, is amended to read as follows:

3 a. An owner's policy of liability insurance which is issued  
4 by an insurance carrier authorized to do business in Iowa to or  
5 for the benefit of the person named in the policy as insured,  
6 and insuring the person named as insured and any person using  
7 an insured motor vehicle with the express or implied permission  
8 of the named insured against loss from liability imposed by law  
9 for damages arising out of the ownership, maintenance, or use  
10 of an insured motor vehicle within the United States of America  
11 or Canada, but subject to minimum limits, exclusive of interest  
12 and costs, in the amounts specified in section ~~321A.21~~ 321A.1,  
13 subsection 11, or specified in another provision of the Code,  
14 whichever is greater.

15 Sec. 2. Section 321A.1, subsection 11, Code 2019, is amended  
16 to read as follows:

17 11. "*Proof of financial responsibility*" means proof of  
18 ability to respond in damages for liability, on account of  
19 accidents occurring subsequent to the effective date of the  
20 proof, arising out of the ownership, maintenance, or use of a  
21 motor vehicle, in amounts as follows:

22 ~~a. With respect to accidents occurring on or after January~~  
23 ~~1, 1981, and prior to January 1, 1983, the amount of fifteen~~  
24 ~~thousand dollars because of bodily injury to or death of one~~  
25 ~~person in any one accident, and, subject to the limit for one~~  
26 ~~person, the amount of thirty thousand dollars because of bodily~~  
27 ~~injury to or death of two or more persons in any one accident,~~  
28 ~~and the amount of ten thousand dollars because of injury to or~~  
29 ~~destruction of property of others in any one accident.~~

30 ~~b. With respect to accidents occurring on or after January~~  
31 ~~1, 1983,~~ prior to January 1, 2020, the amount of twenty  
32 thousand dollars because of bodily injury to or death of one  
33 person in any one accident, and, subject to the limit for one  
34 person, the amount of forty thousand dollars because of bodily  
35 injury to or death of two or more persons in any one accident,

1 and the amount of fifteen thousand dollars because of injury to  
2 or destruction of property of others in any one accident.

3 b. With respect to accidents occurring on or after January  
4 1, 2020, the amount of forty thousand dollars because of bodily  
5 injury to or death of one person in any one accident, and,  
6 subject to the limit for one person, the amount of eighty  
7 thousand dollars because of bodily injury to or death of  
8 two or more persons in any one accident, and the amount of  
9 thirty thousand dollars because of injury to or destruction of  
10 property of others in any one accident.

11 Sec. 3. Section 321A.5, subsection 3, Code 2019, is amended  
12 to read as follows:

13 3. A policy or bond is not effective under [this section](#)  
14 unless issued by an insurance company or surety company  
15 authorized to do business in this state, except that if the  
16 motor vehicle was not registered in this state, or was a motor  
17 vehicle which was registered elsewhere than in this state at  
18 the effective date of the policy or bond, or the most recent  
19 renewal thereof, the policy or bond is not effective under this  
20 section unless the insurance company or surety company if not  
21 authorized to do business in this state executes a power of  
22 attorney authorizing the department to accept service on its  
23 behalf of notice or process in any action upon the policy or  
24 bond arising out of the accident. However, ~~with respect to~~  
25 ~~accidents occurring on or after January 1, 1981, and before~~  
26 ~~January 1, 1983,~~ every such policy or bond is subject, if the  
27 accident has resulted in bodily injury or death, to a limit,  
28 exclusive of interest and costs, ~~of not less than fifteen~~  
29 ~~thousand dollars because of bodily injury to or death of one~~  
30 ~~person in any one accident and, subject to the limit for one~~  
31 ~~person, to a limit of not less than thirty thousand dollars~~  
32 ~~because of bodily injury to or death of two or more persons in~~  
33 ~~any one accident, and, if the accident has resulted in injury~~  
34 ~~to or destruction of property, to a limit of not less than~~  
35 ~~ten thousand dollars because of injury to or destruction of~~

~~1 property of others in any one accident; and with respect to  
2 accidents occurring on or after January 1, 1983, every such  
3 policy or bond is subject, if the accident has resulted in  
4 bodily injury or death, to a limit, exclusive of interest and  
5 costs, of not less than twenty thousand dollars because of  
6 bodily injury to or death of one person in any one accident  
7 and, subject to the limit for one person, to a limit of not  
8 less than forty thousand dollars because of bodily injury to or  
9 death of two or more persons in any one accident, and, if the  
10 accident has resulted in injury to or destruction of property,  
11 to a limit of not less than fifteen thousand dollars because  
12 of injury to or destruction of property of others in any one  
13 accident equal to the amounts specified in section 321A.1,  
14 subsection 11, for the period in which the accident occurred.~~

15 Sec. 4. Section 321A.21, subsection 2, paragraph b, Code  
16 2019, is amended to read as follows:

17 *b.* Shall insure the person named in the policy and any other  
18 person, as insured, using the motor vehicles with the express  
19 or implied permission of the named insured, against loss from  
20 the liability imposed by law for damages arising out of the  
21 ownership, maintenance, or use of the motor vehicles within the  
22 United States of America or the Dominion of Canada, subject to  
23 limits exclusive of interest and costs, with respect to each  
24 such motor vehicle, as follows: ~~With respect to all accidents  
25 which occur on or after January 1, 1981, and before January 1,  
26 1983, fifteen thousand dollars because of bodily injury to or  
27 death of one person in any one accident and, subject to said  
28 limit for one person, thirty thousand dollars because of bodily  
29 injury to or death of two or more persons in any one accident,  
30 and ten thousand dollars because of injury to or destruction  
31 of property of others in any one accident; and with respect to  
32 all accidents which occur on or after January 1, 1983, twenty  
33 thousand dollars because of bodily injury to or death of one  
34 person in any one accident and, subject to said limit for  
35 one person, forty thousand dollars because of bodily injury~~

1 ~~to or death of two or more persons in any one accident, and~~  
2 ~~fifteen thousand dollars because of injury to or destruction~~  
3 ~~of property of others in any one accident equal to the amounts~~  
4 specified in section 321A.1, subsection 11, for accidents  
5 occurring during the period covered by the policy.

6 EXPLANATION

7 The inclusion of this explanation does not constitute agreement with  
8 the explanation's substance by the members of the general assembly.

9 Current law requires proof of motor vehicle financial  
10 responsibility to cover liability for damages arising out of  
11 the ownership, maintenance, or use of a motor vehicle in the  
12 amounts of \$20,000 because of bodily injury to or death of one  
13 person in any one accident, and, subject to the limit for one  
14 person, \$40,000 because of bodily injury to or death of two or  
15 more persons in any one accident, and \$15,000 because of injury  
16 to or destruction of property of others in any one accident.  
17 This bill increases the required amounts for accidents  
18 occurring on or after January 1, 2020, to \$40,000 because of  
19 bodily injury to or death of one person in any one accident,  
20 and, subject to the limit for one person, \$80,000 because of  
21 bodily injury to or death of two or more persons in any one  
22 accident, and \$30,000 because of injury to or destruction of  
23 property of others in any one accident.

24 The bill strikes similar provisions in Code section 321A.5  
25 (security required following accident) and Code section 321A.21  
26 ("motor vehicle liability policy" defined), and adds references  
27 to the amounts specified in Code section 321A.1. The bill  
28 makes a corresponding reference change in the definition of  
29 "financial liability coverage" under Code section 321.1.

30 By operation of law, the amounts required for a surety bond  
31 under Code section 321A.24 (bond as proof) and for uninsured,  
32 underinsured, and hit-and-run coverage under Code chapter 516A  
33 (uninsured, underinsured, or hit-and-run motorists) are also  
34 increased by the bill.