

**Senate File 119 - Introduced**

SENATE FILE 119

BY ROWLEY

(COMPANION TO HF 6 BY LOHSE)

**A BILL FOR**

- 1 An Act relating to the minimum amounts required for motor vehicle
- 2 financial responsibility, and making penalties applicable.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 321A.1, subsection 11, Code 2025, is  
2 amended to read as follows:

3 11. "Proof of financial responsibility" means proof of  
4 ability to respond in damages for liability, on account of  
5 accidents occurring subsequent to the effective date of the  
6 proof, arising out of the ownership, maintenance, or use of a  
7 motor vehicle, in the amount of ~~twenty~~ fifty thousand dollars  
8 because of bodily injury to or death of one person in any one  
9 accident, and, subject to the limit for one person, the amount of  
10 ~~forty one hundred~~ thousand dollars because of bodily injury to or  
11 death of two or more persons in any one accident, and the amount  
12 of ~~fifteen~~ twenty-five thousand dollars because of injury to or  
13 destruction of property of others in any one accident.

14 Sec. 2. Section 321A.5, subsection 3, Code 2025, is amended  
15 to read as follows:

16 3. A policy or bond is not effective under this section  
17 unless issued by an insurance company or surety company  
18 authorized to do business in this state, except that if the  
19 motor vehicle was not registered in this state, or was a motor  
20 vehicle which was registered elsewhere than in this state at  
21 the effective date of the policy or bond, or the most recent  
22 renewal thereof, the policy or bond is not effective under this  
23 section unless the insurance company or surety company if not  
24 authorized to do business in this state executes a power of  
25 attorney authorizing the department to accept service on its  
26 behalf of notice or process in any action upon the policy or  
27 bond arising out of the accident. Every such policy or bond  
28 is subject, if the accident has resulted in bodily injury or  
29 death, to a limit, exclusive of interest and costs, of not less  
30 than ~~twenty~~ fifty thousand dollars because of bodily injury to  
31 or death of one person in any one accident and, subject to the  
32 limit for one person, to a limit of not less than ~~forty one~~  
33 hundred thousand dollars because of bodily injury to or death of  
34 two or more persons in any one accident, and, if the accident  
35 has resulted in injury to or destruction of property, to a limit

1 of not less than ~~fifteen~~ twenty-five thousand dollars because  
2 of injury to or destruction of property of others in any one  
3 accident.

4 Sec. 3. Section 321A.15, subsection 1, paragraphs a, b, and  
5 c, Code 2025, are amended to read as follows:

6 a. When ~~twenty~~ fifty thousand dollars has been credited upon  
7 any judgment or judgments rendered in excess of that amount  
8 because of bodily injury to or death of one person as the result  
9 of any one accident.

10 b. When, subject to the limit of ~~twenty~~ fifty thousand  
11 dollars because of bodily injury to or death of one person,  
12 the sum of ~~forty~~ one hundred thousand dollars has been credited  
13 upon any judgment or judgments rendered in excess of that amount  
14 because of bodily injury to or death of two or more persons as  
15 the result of any one accident.

16 c. When ~~fifteen~~ twenty-five thousand dollars has been  
17 credited upon any judgment or judgments rendered in excess of  
18 that amount because of injury to or destruction of property of  
19 others as a result of any one accident.

20 Sec. 4. Section 321A.21, subsection 2, paragraph b, Code  
21 2025, is amended to read as follows:

22 b. Shall insure the person named in the policy and any other  
23 person, as insured, using the motor vehicles with the express  
24 or implied permission of the named insured, against loss from  
25 the liability imposed by law for damages arising out of the  
26 ownership, maintenance, or use of the motor vehicles within the  
27 United States of America or the Dominion of Canada, subject to  
28 limits exclusive of interest and costs, with respect to each such  
29 motor vehicle, ~~twenty~~ fifty thousand dollars because of bodily  
30 injury to or death of one person in any one accident and, subject  
31 to said limit for one person, ~~forty~~ one hundred thousand dollars  
32 because of bodily injury to or death of two or more persons  
33 in any one accident, and ~~fifteen~~ twenty-five thousand dollars  
34 because of injury to or destruction of property of others in any  
35 one accident.

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EXPLANATION

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

This bill increases the minimum amounts of coverage required for motor vehicle financial responsibility for bodily injury or death of one person (\$20,000 to \$50,000), bodily injury or death of two or more persons (\$40,000 to \$100,000), and property damage (\$15,000 to \$25,000). Such amounts match the requirements under current law for transportation network company drivers (Code section 321N.4) while operating but not engaged in a prearranged ride. The bill makes corresponding changes to provisions regarding associated policies, bonds, and judgments.

A person who violates a provision of Code chapter 321A which does not otherwise provide a penalty commits a serious misdemeanor, punishable by confinement for no more than one year and a fine of at least \$430 but not more than \$2,560.

In addition, Code section 321.20B prohibits a person from driving a motor vehicle unless financial liability coverage is in effect for the vehicle and the person carries proof of such coverage. By operation of law, the associated coverage amounts are increased by the bill. A person who violates Code section 321.20B commits a simple misdemeanor punishable by a \$325 scheduled fine. If a violation is discovered in connection with a motor vehicle accident, the fine increases to \$645. The person is also subject to possible removal of the vehicle's registration plates and registration receipt, and impoundment of the vehicle.