

**House File 2352 - Introduced**

HOUSE FILE 2352

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO HF 129)

**A BILL FOR**

1 An Act relating to the minimum amounts required for motor  
2 vehicle financial responsibility, and making penalties  
3 applicable.

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

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  
10 of ~~forty~~ one hundred thousand dollars because of bodily injury  
11 to or death of two or more persons in any one accident, and the  
12 amount of ~~fifteen~~ fifty thousand dollars because of injury to  
13 or 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  
31 to or death of one person in any one accident and, subject to  
32 the limit for one person, to a limit of not less than ~~forty~~  
33 one hundred thousand dollars because of bodily injury to or  
34 death of two or more persons in any one accident, and, if the  
35 accident has resulted in injury to or destruction of property,

1 to a limit of not less than ~~fifteen~~ fifty thousand dollars  
2 because of injury to or destruction of property of others in  
3 any one 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  
9 result 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, the  
12 sum of ~~forty~~ one hundred thousand dollars has been credited  
13 upon any judgment or judgments rendered in excess of that  
14 amount because of bodily injury to or death of two or more  
15 persons as the result of any one accident.

16 c. When ~~fifteen~~ fifty thousand dollars has been credited  
17 upon any judgment or judgments rendered in excess of that  
18 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  
29 such motor vehicle, ~~twenty~~ fifty thousand dollars because of  
30 bodily injury to or death of one person in any one accident  
31 and, subject to said limit for one person, ~~forty~~ one hundred  
32 thousand dollars because of bodily injury to or death of two or  
33 more persons in any one accident, and ~~fifteen~~ fifty thousand  
34 dollars because of injury to or destruction of property of  
35 others in any one accident.



1 The bill also increases the minimum amount of coverage  
2 required for property damage for evidence of financial  
3 responsibility under Code chapter 321F (leasing and renting  
4 of vehicles) (\$10,000 to \$50,000) and for drivers while  
5 not engaged in a prearranged ride under Code chapter 321N  
6 (transportation network companies) (\$25,000 to \$50,000).  
7 Under current law, the minimum amount of coverage required  
8 under those circumstances is already \$50,000 and \$100,000 for  
9 bodily injury or death of one person and two or more persons,  
10 respectively.

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

15 In addition, Code section 321.20B prohibits a person,  
16 including a transportation network company driver, from driving  
17 a motor vehicle unless financial liability coverage is in  
18 effect for the vehicle and the person carries proof of such  
19 coverage. By operation of law, the associated coverage amounts  
20 are increased by the bill. A person who violates Code section  
21 321.20B commits a simple misdemeanor punishable by a \$325  
22 scheduled fine. If a violation is discovered in connection  
23 with a motor vehicle accident, the fine increases to \$645. The  
24 person is also subject to possible removal of the vehicle's  
25 registration plates and registration receipt, and impoundment  
26 of the vehicle.

27 A person who violates a provision of Code chapter 321F  
28 is guilty of a simple misdemeanor. A simple misdemeanor is  
29 punishable by confinement for no more than 30 days and a fine  
30 of at least \$105 but not more than \$855.