

761—640.6(321A) Proof of financial responsibility. Proof of financial responsibility is required pursuant to Iowa Code sections 321A.13, 321A.14, 321A.16 and 321A.17. A person's driver's license or nonresident operating privilege shall remain suspended or revoked until the person has filed proof of financial responsibility with the department. In addition, a person's motor vehicle registrations shall remain suspended until the person has filed with the department proof of financial responsibility for all motor vehicles registered to that person.

640.6(1) Duration of proof of financial responsibility. Proof of financial responsibility is required for two years starting on the effective date of the person's last suspension or revocation that qualifies under Iowa Code section 321A.17. The requirement terminates if the person required to give proof dies or becomes incapable of operating a motor vehicle, or surrenders the driver's license and the plates of all vehicles registered in the person's name to the department. Reinstatement of the person's driver's license or nonresident operating privilege and motor vehicle registrations within the two-year requirement is possible only if the person refiles such proof.

640.6(2) Methods of giving proof of financial responsibility.

a. Proof of financial responsibility may be shown by a liability insurance certificate pursuant to Iowa Code section 321A.19. Form SR-22, "AAMVA Uniform Financial Responsibility Form," is required as the form of the certificate except when proof of financial responsibility is submitted electronically in a format approved by the department. The form may describe an owner's or operator's policy and shall identify the policyholder by name, address, driver's license number and birth date. The effective date of the policy shall be the same as the effective date on the form. The vehicles covered shall be identified by year, make, model and vehicle identification number. The form shall be certified in accordance with the Iowa financial responsibility law by an insurance carrier authorized to transact insurance business in Iowa or by an insurance carrier authorized by power of attorney. The policy shall be canceled only as provided in Iowa Code section 321A.22. Certification of coverage for an owner's policy authorizes the policyholder to have registrations for the described vehicles. Certification of coverage for an operator's policy does not authorize registrations.

b. Proof of financial responsibility may be given for a person who is an operator in the employ of the owner of the motor vehicle, or who is a member of the immediate family or household of the owner pursuant to Iowa Code section 321A.26, if the owner's insurance carrier certifies for the person required to show proof of financial responsibility. In addition to the requirements in paragraph 640.6(2) "a," the proof of financial responsibility shall identify both the policyholder and the person for whom proof of financial responsibility is given. This certification does not authorize the person required to give proof of financial responsibility to register a motor vehicle.

c. Proof of financial responsibility may be given for a person who is an operator in the employ of an owner of a fleet of motor vehicles, if the owner's insurance carrier certifies for the person required to show proof of financial responsibility. Form SR-23, "AAMVA Uniform Financial Responsibility Form," is required as the form of the certificate except when proof of financial responsibility is submitted electronically in a format approved by the department. The form shall identify the policyholder's name and address, policy number, policy dates and effective date. This certification does not authorize the person required to give proof of financial responsibility to register a motor vehicle.

d. Proof of financial responsibility may be given for a person who is an operator in the employ of an owner who has qualified as a self-insurer pursuant to Iowa Code section 321A.34. A certificate of self-insurance may be issued by the department to a person in whose name more than 25 vehicles are registered and who submits a financial statement which is found to be satisfactory to the department. Form SR-1, "Application for Self Insurance," shall be completed and submitted to the department with a list of all the owner's motor vehicles registered in Iowa identified by make, year, model and vehicle identification number. When the application is approved, the department shall issue Form SR-2, "Self Insurance Certificate." Failure to pay a judgment pursuant to Iowa Code section 321A.34 or failure to submit an annual financial statement shall be reasonable grounds for cancellation of the certificate.

640.6(3) Proof of financial responsibility restriction. When a person has filed satisfactory proof of financial responsibility in accordance with subrule 640.6(2), and the person applies for and is otherwise eligible for a driver's license, the department shall issue the driver's license with a restriction indicating

that the person is subject to proof of financial responsibility requirements. The restriction code shall be the same as described in 761—subrule 605.8(1).

640.6(4) *Terminating the suspension upon filing of proof of financial responsibility.* When proof of financial responsibility is provided under subrule 640.6(2) and the person is otherwise eligible for licensing or registration, the department shall issue a notice terminating the suspension to the person whose privileges were suspended under Iowa Code section 321A.13, 321A.14, 321A.16 or 321A.17 or rule 761—640.5(321A) or 761—640.6(321A). To regain operating privileges, the person shall pass the required examinations and pay the required fees. The person's operating and registration privileges are restricted to the motor vehicles covered under the proof of financial responsibility filed by the applicant, except that a person required to give proof of financial responsibility who holds proof of financial responsibility as an operator may operate a nonowned vehicle provided the owner of that vehicle has liability coverage required under Iowa Code chapter 321A.

640.6(5) *Cancellation of proof of financial responsibility.* An insurance carrier shall only cancel or terminate a certificate of insurance pursuant to Iowa Code section 321A.22. The cancellation shall be certified by an authorized insurance carrier representative on Form SR-26, "AAMVA Uniform Financial Responsibility Form," except when cancellation of proof of financial responsibility is submitted electronically in a format approved by the department. The cancellation of proof of financial responsibility shall identify the proof of financial responsibility certificate to be canceled by name and address of the person, social security number, birth date, driver's license number, number of the policy to be canceled and the effective date of cancellation.

640.6(6) *Suspension when proof of financial responsibility is canceled.*

a. When a person's proof of financial responsibility is canceled, the person shall immediately refile proof of financial responsibility or surrender the license and registrations to the department.

b. If the person fails to refile proof of financial responsibility, a suspension notice shall be served in accordance with rule 761—615.37(321). The effective date of the suspension shall be the date the notice is served. The notice shall inform the person that the privilege to operate and register motor vehicles in Iowa is suspended until proof of financial responsibility is refiled. When the person refiles proof of financial responsibility, the department shall issue to the person a notice terminating the suspension.

640.6(7) *Terminating the proof of financial responsibility requirement.* A notice terminating the requirement to maintain proof of financial responsibility shall be issued to a person who has satisfied proof of financial responsibility requirements pursuant to Iowa Code section 321A.29. The form shall notify the person that proof of financial responsibility is no longer required and that the person may operate and register motor vehicles without maintaining and filing with the department proof of financial responsibility. If the person's driver's license is still valid, the person may obtain a duplicate driver's license without the restriction under subrule 640.6(3). If the driver's license has expired or has not been reinstated and the person is otherwise eligible for licensing, the person shall pass the required examinations and pay the required fees.

640.6(8) *Electronic submission of proof of financial responsibility and cancellation of proof of financial responsibility.* Prior to July 1, 2021, an insurance carrier authorized to transact business in the state of Iowa may electronically submit proof of financial responsibility and cancellation of proof of financial responsibility in a format approved by the department. An insurance carrier that submits proof of financial responsibility or cancellation of proof of financial responsibility under this rule shall implement electronic submission of such proof no later than July 1, 2021. As of July 1, 2021, no paper submissions of such proof shall be accepted by the department from the insurance carrier, and all submissions of proof of financial responsibility and cancellation of proof of financial responsibility shall be submitted electronically in a format approved by the department.

This rule is intended to implement Iowa Code sections 321A.12 to 321A.29, 321A.31 and 321A.34. [ARC 7902B, IAB 7/1/09, effective 8/5/09; ARC 4803C, IAB 12/4/19, effective 1/8/20; ARC 7008C, IAB 5/3/23, effective 6/7/23]