

TRANSPORTATION  
FILED FEB 20 2002

SENATE FILE 2245  
BY ZIEMAN

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

**A BILL FOR**

1 An Act requiring proof of financial liability coverage for the  
2 registration or renewal of registration of a motor vehicle.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2245  
TRANSPORTATION

1 Section 1. Section 321.24, Code Supplement 2001, is  
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 1A. Notwithstanding chapter 321A and  
4 section 321.20B, a motor vehicle shall not be registered in  
5 this state, unless the owner, at the time of registration, has  
6 in effect financial liability coverage, as defined in section  
7 321.1, subsection 24B, for the motor vehicle to be registered.  
8 The department shall require that the owner certify that such  
9 financial liability coverage is in effect in order for the  
10 motor vehicle to be registered. If an owner certifies that  
11 such financial liability coverage is in effect, the department  
12 may require that the owner or the owner's insurance company  
13 produce records to prove the fact that liability insurance is  
14 in effect at the time of the application for registration.  
15 Failure to produce such records shall be prima facie evidence  
16 that financial liability coverage does not exist with regard  
17 to the motor vehicle concerned. An insurance company, upon  
18 the request of the department, shall notify the department  
19 within thirty calendar days of the date of the receipt of such  
20 request from the department if any liability insurance was not  
21 in effect on the date of registration and maintained  
22 continuously after that date. The owner of each motor vehicle  
23 registered in this state shall maintain financial liability  
24 coverage continuously throughout the period of registration.

25 Sec. 2. Section 321.40, Code Supplement 2001, is amended  
26 by adding the following new unnumbered paragraph after  
27 unnumbered paragraph 6:

28 NEW UNNUMBERED PARAGRAPH. Notwithstanding chapter 321A and  
29 section 321.20B, a motor vehicle registration shall not be  
30 renewed in this state, unless the owner, at the time of an  
31 application for renewal of registration, has in effect  
32 financial liability coverage, as required under section  
33 321.24, subsection 1A, for initial registration. The  
34 procedures and requirements established in that subsection for  
35 initial registration apply to renewal of registration under

1 this section.

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EXPLANATION

3 This bill amends Code sections 321.24 and 321.40 to provide  
4 that a motor vehicle shall not be registered or have a  
5 registration renewed unless the owner, at the time of an  
6 application for registration or for renewal of registration,  
7 has in effect financial liability coverage, as defined in Code  
8 section 321.1, subsection 24B. The owner is required to  
9 certify that such coverage is in effect at the time of  
10 registration or renewal of registration and the state  
11 department of transportation may require that the owner or the  
12 owner's insurance company produce records to prove that  
13 liability insurance is in effect. Failure to produce such  
14 records is considered prima facie evidence that no financial  
15 liability coverage exists with regard to the motor vehicle to  
16 be registered or to have a renewal of registration. The bill  
17 also requires insurance companies, at the request of the  
18 department, to notify the department within 30 calendar days  
19 of the date of receipt of such request if any liability  
20 insurance was not in effect on the date of registration or was  
21 not maintained continuously after that date.

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