

HOUSE RESEARCH

Bill Summary

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Overview

This bill makes changes in the enforcement of the mandatory motor vehicle insurance law. The most significant change involves a procedure under which the department of public safety would request auto insurance information by mail from vehicle owners and then confirm it with the insurance company. The procedure would be used on a sample of 2 percent of vehicle owners each year.

Section

- 1 **Terms defined.** Changes two cross-references to conform to the repeal of section 169.799 in this bill.
- 2 **Sampling to verify insurance coverage.** (a) Requires the division of driver and vehicle services (DVS) to do a monthly sampling program of licensed drivers who own vehicles, to determine whether they have insurance. The sample must be 2 percent annually of all licensed drivers who own motor vehicles. Half of the sample must be random. The other half must be targeted on drivers who, within the previous year, were convicted of a motor vehicle insurance violation, had their license suspended or revoked due to habitual traffic violations, had no insurance at the time of a reportable accident, or were convicted of an alcohol-related driving offense. Prohibits sampling based on race, religion, physical or mental disability, economic status, or geographic location.

(b) The sampling would involve mailing the driver a request for auto insurance coverage information as of a certain date, presumably shortly before receipt of the request.

(c) to (f) The driver must mail the information within 30 days to DVS, which would send it

Section

to the insurance company for verification. The company would respond to DVS only if the information was not correct. If the driver falsely claims coverage, or if the driver does not respond within 30 days, DVS would suspend the driver's license. Reinstatement of the license would require providing proof of insurance for the following 12 months.

3 Registration revocation and license suspension. Makes it mandatory, rather than optional, for DVS to suspend the driver's license of a person who has not maintained insurance, based on DVS records.

4 Authority. Adjusts a cross-reference to conform to the repeal of section 169.799.

5 Attestation of insurance required. Requires a person to "attest" that the person has insurance when the person registers, re-registers, or transfers ownership of a motor vehicle or motorcycle. This would replace the current requirement in rule, that the applicant list the insurance company and policy number on the registration form. This bill repeals that rule.

6 Reinstatement fee. Requires a \$30 fee to reinstate a driver's license suspended or revoked for not having insurance, not producing proof of insurance, or not responding to the sample.

7 Repealer. Repeals (a) provision requiring revocation of motor vehicle registrations for insurance-related offenses, (b) obsolete provision, (c) provision requiring insurance companies to notify DVS when someone drops auto insurance, which has never been enforced, (d) rule requiring disclosure of insurance information on motor vehicle registration forms, replaced by sections 2 and 5 of this bill, and (e) a rule that depends upon the rule repealed in (d).

8 Effective date. Provides January 1, 2004, effective date for all provisions.