

SENATE BILL REPORT

SB 5641

AS OF FEBRUARY 23, 1993

Brief Description: Requiring proof of insurance for vehicle registration.

SPONSORS: Senator Roach

SENATE COMMITTEE ON TRANSPORTATION

Staff: Brad Lovaas (786-7307)

Hearing Dates: February 23, 1993

BACKGROUND:

The 1989 Legislature enacted a mandatory motor vehicle liability insurance law in 1989. Washington State has had a financial responsibility law since 1963.

The financial responsibility law mandates that anyone who causes damage in the operation of a motor vehicle is liable for those damages.

If an automobile driver negligently causes an accident, the driver must arrange for payment of the damages and show future proof of financial responsibility by obtaining a vehicle liability insurance policy, self-insuring, posting a bond or obtaining a certificate of deposit. Neglect of any liabilities or failure to provide proof of financial responsibility leads to the suspension of the driver's license.

The 1989 Legislature was reacting to estimations that 17-20 percent of motor vehicles were operated by people without vehicle insurance. Current estimates are in the 8-9 percent range.

A motorist must provide evidence of financial responsibility when requested by a law enforcement officer. Proof of financial responsibility is accomplished by presenting an insurance identification card which must be provided by an insurance company issuing or renewing a motor vehicle liability policy.

The motorist must be stopped by a law enforcement officer for probable cause. The enforcement of the mandatory automobile insurance law is a secondary violation, meaning an officer cannot stop a vehicle in order to check for insurance, similar to the state's seat belt law.

The current minimum requirements for liability insurance are \$25,000 per person, \$50,000 per accident and \$10,000 for property damage.

SUMMARY:

Proof of automobile liability insurance is required at the time of original application and annual license renewal as a condition for vehicle registration.

EFFECT OF PROPOSED SUBSTITUTE:

Proof of automobile liability insurance is required at the time of annual license renewal.

Anyone who falsifies insurance at time of renewal is guilty of a misdemeanor.

Anyone who wilfully cancels insurance following vehicle registration renewal is guilty of a misdemeanor.

Appropriation: none

Revenue: none

Fiscal Note: none requested