

SENATE BILL REPORT

HB 1014

As Reported by Senate Committee On:
Financial Institutions, Economic Development & Trade, April 2, 2019

Title: An act relating to financial responsibility of motorcycle operators.

Brief Description: Concerning financial responsibility of motorcycle operators.

Sponsors: Representatives Jenkin, Kirby, Harris, Bergquist, Stanford, Sells, Barkis, Eslick and Rude.

Brief History: Passed House: 2/07/19, 70-26.

Committee Activity: Financial Institutions, Economic Development & Trade: 3/28/19, 4/02/19 [DP].

Brief Summary of Bill

- Requires all motorcycle operators to be insured under a motor vehicle liability policy or the allowed equivalent according to the terms required by current law.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

Majority Report: Do pass.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Braun, Das, Ericksen and Hobbs.

Staff: Clint McCarthy (786-7319)

Background: No person may operate a motor vehicle required to be registered in the state unless the person is insured under a motor vehicle liability policy, self-insured, covered by a certificate of deposit, or covered by a liability bond.

A motor vehicle liability policy or bond must be issued by an insurance or surety company authorized to do business in the state. The policy or bond must provide a minimum coverage level of \$25,000 for bodily injury or death of a single person in any one accident, \$50,000 for

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bodily injury or death of two or more people in any one accident, and \$10,000 for injury to or destruction of property of others in any one accident.

In lieu of the liability insurance or bond, a person may be self-insured or be covered by a certificate of deposit. To be self-insured, a person must have more than 25 vehicles registered in that person's name, and the Department of Licensing (DOL) must find that the person possesses the ability to pay a judgment obtained against them. To be covered by a certificate of deposit, DOL will issue a certificate of deposit to the person named once that person has deposited \$60,000 in cash or securities that may legally be purchased by savings banks or for trust funds for a market value of \$60,000.

Proof of insurance or the equivalent for motor vehicle operation must be provided at the request of a law enforcement officer. When asked to do so by a law enforcement officer, failure to display this proof for motor vehicle operation is a traffic infraction.

The insurance requirements do not apply to:

- motorcycles, motor-driven cycles, or scooters with a motor that produces no greater than 5 brake horsepower;
- mopeds producing no greater than 2 brake horsepower and not capable of exceeding a speed of 30 mph;
- wheeled all-terrain vehicles;
- motor vehicles registered with collector vehicle license plates, that are at least 30 years old and operated primarily as a collector vehicle;
- motor vehicles registered with honorary consult special license plates for honorary consuls or official representatives of foreign governments that are United States citizens;
- state or publicly owned vehicles; and
- common carriers and contract carriers registered with the Washington Utilities and Transportation Commission.

Summary of Bill: Persons operating a motorcycle must meet the insurance or equivalent requirements for registered motor vehicles under current law.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: When someone gets property damage from an uninsured motorcyclists, the other person is stuck with having to file a claim. They have to pay a higher premium. Having motorcyclists insured is common sense. The cost is reasonable. There is no rational basis to not have motorcycles have liability insurance.

OTHER: There is a concern about how this is put into play. The Office of the Insurance Commissioner needs to provide guidance on what the risk structure would look like.

Persons Testifying: PRO: Representative Bill Jenkin, Prime Sponsor; Mel Sorensen, American Property Casualty Insurance Association.

OTHER: Larry Walker, Washington Road Riders Association.

Persons Signed In To Testify But Not Testifying: No one.