

**SENATE BILL REPORT**

**SB 5421**

**AS OF FEBRUARY 12, 1991**

**Brief Description:** Creating exemptions from motor vehicle insurance requirements.

**SPONSORS:** Senators Barr and Hansen.

**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

**Staff:** Benson Porter (786-7470)

**Hearing Dates:** February 12, 1991

**BACKGROUND:**

Washington State's mandatory automobile insurance law became effective on January 1, 1990. Under the law, every driver and registered owner of a motor vehicle must maintain financial responsibility. Many individuals comply with this financial responsibility requirement by obtaining a motor vehicle liability policy in the amount of at least \$25,000 per person, \$50,000 per accident, and \$10,000 for property damage. The financial responsibility requirement can also be satisfied by obtaining a bond, certificate of deposit, or a certificate of self-insurance as defined in the Financial Responsibility Act.

Currently, certain vehicles are exempt from the mandatory insurance law. For example, antique vehicles, collectors' vehicles, motorcycles, mopeds, and common carriers are exempt from the law.

Some concern has been expressed that the mandatory insurance law applies to vehicles operating under a three-day trip permit issued by the Department of Licensing. These permits are available to owners of unlicensed vehicles that would be required to obtain a license registration for operation on public highways in this state. These permits authorize the operation of a vehicle for a three consecutive day period. However, no more than three permits may be issued for one vehicle in any 30-day period.

**SUMMARY:**

Certain motor vehicles operating under a three day vehicle trip permit are exempt from the mandatory automobile insurance law. This exemption would not apply to motorhomes, other recreational vehicles, or private passenger automobiles operating under such a permit.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested