

SENATE BILL REPORT

SB 6525

As Reported By Senate Committee On:
Financial Institutions, Insurance & Housing, February 4, 1998

Title: An act relating to proof of financial responsibility or motor vehicle liability insurance.

Brief Description: Proving financial responsibility or motor vehicle liability insurance.

Sponsors: Senators Franklin, Winsley, Fairley, Kohl, Rasmussen, Brown and Patterson.

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 1/29/98, 2/4/98 [DPS].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: That Substitute Senate Bill No. 6525 be substituted therefor, and the substitute bill do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Hale, Heavey, Kline and Prentice.

Staff: Dave Cheal (786-7576)

Background: Anyone operating a motor vehicle on the highways of this state is required to obtain liability insurance or provide other proof of financial responsibility.

In spite of this legal requirement, a significant number of drivers fail to obtain liability insurance. As a result, most drivers pay an additional premium for uninsured or underinsured motorist coverage so that their losses will be covered in the event of an accident involving an uninsured driver.

Failure to provide proof of insurance when requested to do so by a law enforcement officer creates a presumption that the person does not have insurance. Failure to provide proof of insurance is a traffic infraction subject to penalties set by the Supreme Court.

Summary of Substitute Bill: Original vehicle licenses and license renewals may not be issued unless the applicant provides written proof of financial responsibility.

Any person who provides false evidence of financial responsibility to the Department of Licensing on an application for a vehicle license is guilty of a misdemeanor.

Substitute Bill Compared to Original Bill: The vehicle impoundment provision is removed. The requirement that insurance companies issue quarterly identification cards is removed.

Appropriation: None.

Fiscal Note: Requested on January 20, 1998.

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

Testimony For: Stricter methods of enforcement are needed to achieve compliance with the mandatory liability insurance. Impoundment of offenders' vehicles has proven effective in other states. Requiring proof of insurance at the time of vehicle licensing or license renewal is also effective.

Testimony Against: None.

Testified: PRO: Pat Reed; Stu Halsan, WA Tow & Truck Association.