

SENATE BILL REPORT

HB 1116

AS OF FEBRUARY 24, 1992

**Brief Description:** Authorizing alternative forms of financial responsibility.

**SPONSORS:** Representatives R. Meyers, Appelwick, R. Fisher, Wood, Paris and Edmondson; by request of Department of Licensing.

**HOUSE COMMITTEE ON TRANSPORTATION**

**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

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

**Hearing Dates:** February 25, 1992

**BACKGROUND:**

Persons who have had their driver's license suspended or revoked must provide proof of future financial responsibility for the reinstatement or reissuance of their license.

The Department of Licensing (DOL) currently accepts the following forms of proof: a certificate of insurance (SR 22 filing), a \$60,000 bond filed with the DOL, a certificate of self-insurance, or a certificate of deposit of money or securities equal to \$60,000 from the State Treasurer's office. Most individuals utilize the SR 22 filing in order to reinstate their license. Concern has been expressed that this form of insurance is expensive and that many suspended drivers are delaying reinstatement because of this cost.

It has been reported that allowing individuals to file proof of regular liability insurance may reduce the number of unlicensed drivers on the road.

**SUMMARY:**

Individuals may file a copy of an insurance identification card required by the mandatory insurance law as proof of financial responsibility. This option is not available to persons who knowingly provided false evidence of financial responsibility or to persons whose licenses were suspended or revoked because of a conviction for driving while under the influence of alcohol or drugs.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

