

SENATE BILL REPORT

SB 5930

As Reported By Senate Committee On:
Transportation, March 10, 1997

Title: An act relating to the relationship between motor vehicle liability coverage and registration.

Brief Description: Requiring liability coverage for motor vehicle registration.

Sponsors: Senator Patterson.

Brief History:

Committee Activity: Transportation: 3/5/97, 3/10/97 [DPS, DNP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5930 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prince, Chair; Benton, Vice Chair; Wood, Vice Chair; Goings, Haugen, Heavey, Horn, Jacobsen, Morton, Oke, Patterson, Prentice and Rasmussen.

Minority Report: Do not pass.

Signed by Senator Sellar.

Staff: Jeff Doyle (785-7322)

Background: Persons driving vehicles in the state of Washington are required to carry a motor vehicle liability insurance policy, or a self-insurance certificate, or proof of coverage from a liability bond.

Each year the owner of a motor vehicle is required to renew the vehicle license and pay the applicable fees and taxes. Currently, there is no requirement that a vehicle owner offer proof of insurance at the time the vehicle registration is renewed.

Summary of Substitute Bill: The owner of a vehicle wishing to license or renew the license of the vehicle must provide proof of motor vehicle liability insurance, or in lieu of an insurance policy, a certificate of self-insurance or proof of coverage under a liability bond.

Upon learning of or receiving a notice of nonrenewal or cancellation, the Department of Licensing must notify the registered owner of the vehicle that the vehicle registration will be cancelled within 30 days if proof of insurance is not submitted to the department. If no proof of insurance is supplied within 30 days, the department immediately cancels the registration, and no registration fees are refunded.

Substitute Bill Compared to Original Bill: Insurance companies are no longer required to send nonrenewal or cancellation notices to DOL.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Uninsured drivers cost taxpayers millions of dollars each year. Persons who own cars need to be responsible for the injuries their cars might cause, and should be obeying the mandatory liability insurance law.

Testimony Against: The requirement that insurance companies notify DOL when a policy is out of effect will cost insurers money to send the notices.

Testified: Senator Patterson, prime sponsor (pro); Virginia Redfield (pro); Basil Badley, American Insurers Association (con); Mike Kapphahn, Farmers Insurance Group (con); Jim Wadsworth, Department of Licensing (concerns).