

# SENATE BILL REPORT

## SHB 2448

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As of February 26, 2014

**Title:** An act relating to transferring the insurance and financial responsibility program.

**Brief Description:** Transferring the insurance and financial responsibility program.

**Sponsors:** House Committee on Business & Financial Services (originally sponsored by Representatives Fey, Orcutt and Ryu; by request of State Treasurer).

**Brief History:** Passed House: 2/12/14, 97-0.

**Committee Activity:** Financial Institutions, Housing & Insurance: 2/25/14.

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

**Staff:** Edward Redmond (786-7471)

**Background:** Under Washington law, certain individuals must provide proof that they have a way to pay for any damages that they may cause while driving; this is referred to as financial responsibility (SR-22). Such individuals include anyone that has been convicted of, or forfeited bail for, certain offenses; failed to pay judgments; or driven or owned a vehicle involved in an accident which results in bodily injury, death, or property damage. Currently the minimum required bodily injury and property damage liability limits in Washington are 25/50/10.

Acceptable proof of financial responsibility include an SR-22 certificate of automobile insurance which can be obtained from most auto insurance providers; certificate of deposit issued by the Washington State Treasurer (Treasurer) showing the person deposited \$60,000 in cash or securities; or a liability bond for at least \$60,000 obtained from any surety or bonding company authorized to do business in Washington. The Treasurer may only issue a certificate of deposit and the Department of Licensing (DOL) may only accept such certificate if all judgments against the depositor in the county where the depositor resides have been satisfied.

Generally, proof of financial responsibility is required for a period of three years from the date an individual is eligible to reinstate their license.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:** The insurance and financial responsibility program is transferred from the Treasurer to DOL. DOL is responsible for issuing a certificate of deposit upon a satisfactory showing that the individual has met the statutory requirements for such issuance.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill came to us from the Treasurer's Office. The time has come to put this activity all under one agency. It is simpler for constituents that want to take advantage of the financial responsibility program. Rather than have them go from DOL to the Treasurer's Office, this simply puts all the administrative work under one agency.

**Persons Testifying:** PRO: Representative Fey, prime sponsor; Scott Merriman, Treasurer.