

HOUSE BILL REPORT

HB 1014

As Reported by House Committee On:
Consumer Protection & Business

Title: An act relating to financial responsibility of motorcycle operators.

Brief Description: Concerning financial responsibility of motorcycle operators.

Sponsors: Representatives Jenkin, Kirby, Harris, Bergquist, Stanford, Sells, Barkis, Eslick and Rude.

Brief History:

Committee Activity:

Consumer Protection & Business: 1/15/19, 1/18/19 [DP].

Brief Summary of Bill

- Requires all motorcycle operators to be insured under a motor vehicle liability policy or the allowed equivalent according to the terms required by current law.

HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

Majority Report: Do pass. Signed by 11 members: Representatives Kirby, Chair; Reeves, Vice Chair; Hoff, Assistant Ranking Minority Member; Barkis, Blake, Dufault, Ryu, Santos, Stanford, Walen and Ybarra.

Minority Report: Do not pass. Signed by 2 members: Representatives Vick, Ranking Minority Member; Volz.

Staff: Serena Dolly (786-7150).

Background:

Insurance Requirement.

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.

No person may operate a motor vehicle required to be registered in the state unless the person is insured under a motor vehicle liability policy, self-insured, covered by a certificate of deposit, or covered by a liability bond.

A motor vehicle liability policy or bond must be issued by an insurance or surety company authorized to do business in the state. The policy or bond must provide a minimum coverage level of \$25,000 for bodily injury or death of a single person in any one accident, \$50,000 for bodily injury or death of two or more people in any one accident, and \$10,000 for injury to or destruction of property of others in any one accident.

In lieu of the liability insurance or bond a person may be self-insured or be covered by a certificate of deposit. To be self-insured a person must have more than 25 vehicles registered in that person's name and the Department of Licensing (DOL) must find that the person possesses the ability to pay a judgment obtained against him or her. To be covered by a certificate of deposit the DOL will issue a certificate of deposit to the person named once that person has deposited \$60,000 in cash or securities that may legally be purchased by savings banks or for trust funds for a market value of \$60,000.

Proof of insurance or the equivalent for motor vehicle operation must be provided at the request of a law enforcement officer. When asked to do so by a law enforcement officer, failure to display this proof for motor vehicle operation is a traffic infraction.

The insurance requirements do not apply to: motorcycles, motor-driven cycles (motorcycles or scooters with a motor that produces no greater than 5 brake horsepower); mopeds (produce no greater than 2 brake horsepower and not capable of exceeding a speed of 30 miles per hour); wheeled all-terrain vehicles; motor vehicles registered with collector vehicle license plates (must be at least 30 years old and operated primarily as a collector vehicle); motor vehicles registered with honorary consult special license plates (for honorary consuls or official representatives of foreign governments that are United States citizens); state or publicly owned vehicles; and common carriers and contract carriers registered with the Washington Utilities and Transportation Commission.

Summary of Bill:

Persons operating a motorcycle must meet the insurance or equivalent requirements for registered motor vehicles under current law.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) People are surprised to learn that motorcycles are not required to have liability insurance. Liability policies for motorcycles are not very expensive. There may be some concern about bringing newly insured riders into the market, but the cost should not be too high. Insurance companies may be willing to work with new riders.

(Opposed) None.

(Other) There are some concerns about the impact to motorcyclists who have never had insurance. It may be more difficult for younger or newer riders to obtain an insurance policy. Some of these riders are using a motorcycle as inexpensive transportation, and requiring insurance may create a financial hardship. New riders should be phased in to the insurance market.

Persons Testifying: (In support) Representative Jenkin, prime sponsor.

(Other) Brian Lange, A Brotherhood Against Totalitarian Enactments of Washington; and Larry Walker, Washington Road Riders Association.

Persons Signed In To Testify But Not Testifying: None.