

HOUSE BILL REPORT

HB 1116

*As Reported By House Committee on:
Transportation*

Title: An act relating to proof of financial responsibility.

Brief Description: Authorizing alternative forms of financial responsibility.

Sponsor(s): Representatives R. Meyers, Appelwick, R. Fisher, Wood, Paris and Edmondson; by request of Department of Licensing.

Brief History:

Reported by House Committee on:
Transportation, February 7, 1991, DP.

**HOUSE COMMITTEE ON
TRANSPORTATION**

Majority Report: *Do pass.* Signed by 26 members: Representatives R. Fisher, Chair; R. Meyers, Vice Chair; Betrozoff, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Basich; Brough; Cantwell; Cooper; Day; G. Fisher; Forner; Haugen; Horn; P. Johnson; R. Johnson; Jones; Kremen; Mitchell; Nelson; Orr; Prentice; Prince; Schmidt; Wilson; Wood; and Zellinsky.

Staff: Louise Bray Sandison (786-7322).

Background: Proof of future financial responsibility is required for reinstatement/reissuance of a suspended or revoked driver's license.

Under current law the Department of Licensing (DOL) may accept the following forms of proof: a certificate of insurance (SR 22 filing), filing of a \$60,000 bond with DOL, or a certificate of deposit of money or securities equal to \$60,000.

Most individuals utilize the SR 22 filing in order to reinstate their license. This form of insurance is very expensive to obtain, and many suspended drivers are delaying reinstatement because of this high cost.

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

Summary of Bill: Individuals may, in addition to the current forms of proof of future financial responsibility, file a copy of an insurance identification card as required by the mandatory insurance laws (Ch. 46.30 RCW). This option is not available to persons who knowingly provided false evidence of financial responsibility or to persons suspended or revoked due to a conviction for driving while under the influence of alcohol or drugs (RCW 46.61.515).

Fiscal Note: Not requested.

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

Testimony For: None.

Testimony Against: Providing a less expensive alternative for proving financial responsibility is desirable; however, the limitations on those eligible to utilize the option should be expanded.

Witnesses: Jean Leonard, State Farm Insurance and Washington Insurers.