



Senate

General Assembly

File No. 233

February Session, 2006

Senate Bill No. 410

Senate, March 30, 2006

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT INCREASING THE FINANCIAL RESPONSIBILITY LIMITS
FOR MOTOR VEHICLE OPERATORS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-112 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) To entitle any person to receive or retain a motor vehicle
4 operator's license or a certificate of registration of any motor vehicle
5 when, in the opinion of the commissioner, such person has a record on
6 file with the commissioner which is sufficient, in the opinion of the
7 commissioner, to require evidence of financial responsibility for the
8 reasonable protection of other persons, the commissioner shall require
9 from such person proof of financial responsibility to satisfy any claim
10 for damages by reason of personal injury to, or the death of, any one
11 person, of [twenty] twenty-five thousand dollars, or by reason of
12 personal injury to, or the death of, more than one person on account of
13 any accident, of at least [forty] fifty thousand dollars, and for damage
14 to property of at least [ten] twenty-five thousand dollars. When the

15 commissioner requires proof of financial responsibility from an
16 operator or owner of any motor vehicle, he may require proof in the
17 amounts herein specified for each vehicle operated or owned by such
18 person. If any person fails to furnish such proof, the commissioner
19 shall, until such proof is furnished, suspend or revoke the license of
20 such person to operate a motor vehicle or refuse to return any license
21 which has been suspended or revoked in accordance with the
22 provisions of section 14-111, as amended, or suspend or revoke the
23 registration of any such motor vehicle or vehicles or refuse thereafter
24 to register any motor vehicle owned by such person or refuse to
25 register any motor vehicle transferred by him if it does not appear to
26 the commissioner's satisfaction that such transfer is a bona fide sale, or,
27 if such person is not a resident of this state, withdraw from such
28 person the privilege of operating any motor vehicle in this state and
29 the privilege of operation within this state of any motor vehicle owned
30 by him. Prior to such suspension, revocation or withdrawal, notice
31 thereof shall be given by the commissioner by a notice forwarded by
32 bulk certified mail to the address of such person as shown by the
33 records of the commissioner. No appeal taken from the judgment of
34 any court shall act as a stay to any action of the commissioner
35 authorized by the provisions of this section.

36 (b) Such proof of financial responsibility shall be furnished as is
37 satisfactory to the commissioner and may be evidence of the insuring
38 of the named insured or resident relative of the named insured against
39 loss on account of his legal liability for injury to or the death of persons
40 and damage to property in the respective amounts provided by this
41 section in the form of a certificate signed by any person authorized in
42 writing by an officer of any company authorized to issue such
43 insurance in this state or any agent of such company licensed under
44 the provisions of section 38a-769, as amended, showing that a policy of
45 insurance in such amounts, noncancellable except after ten days'
46 written notice to the commissioner, has been issued to the person
47 furnishing such proof and no insurance company or insurance agent
48 shall refuse to make such filing of evidence of insurance during the
49 time such insurance company has a valid policy in force covering the

50 named insured or resident relative of the named insured and such
51 company may charge a fee not to exceed ten dollars for such filing; or
52 such proof may be the bond of a surety company or a bond with
53 individual surety owning real estate, which bond shall be conditioned
54 for the payment of such amounts and shall not be cancellable except
55 after ten days' written notice to the commissioner. Such bond shall
56 constitute a lien in favor of the state upon the real estate of any surety,
57 which lien shall exist in favor of any holder of a judgment on account
58 of damage caused by the operation of such person's motor vehicle,
59 upon the filing of notice to that effect by the commissioner in the town
60 clerk's office in the town where such real estate is located. Such proof
61 of financial responsibility may also be evidence presented to the
62 commissioner of a deposit by such person with the State Treasurer of a
63 sum of money or collateral, the amount of which money or collateral
64 shall be determined by and shall be satisfactory to the commissioner.
65 The State Treasurer shall accept any such deposit and issue a receipt
66 therefor, and, if such deposit is a sum of money, the state shall pay
67 interest thereon if so directed by the Secretary of the Office of Policy
68 and Management at a rate not greater than the amount received by the
69 state. The Treasurer may deposit any money so received in any
70 incorporated savings bank located in this state. Whenever any agent of
71 an insurance company certifies to evidence of the insuring of any
72 person, from whom proof of financial responsibility has been required,
73 by the company for which such agent is authorized to solicit, negotiate
74 or effect contracts of insurance, such company shall notify the
75 commissioner of the cancellation or termination of the policy referred
76 to in such certificate at least ten days before the effective date of such
77 cancellation or termination, provided such notice shall not be required
78 if such policy is renewed by such company, and provided a policy
79 subsequently procured and referred to in a certificate filed with the
80 commissioner shall, on the effective date of such policy, terminate the
81 policy referred to in any certificate previously filed with respect to any
82 motor vehicles designated in both certificates or, in case of an
83 operator's policy, with respect to any operator designated in both
84 certificates. Additional evidence of financial responsibility shall be

85 furnished the commissioner at any time upon his request therefor.

86 (c) Such bond, money or collateral shall be held by the
87 commissioner or Treasurer, as the case may be, to satisfy any execution
88 issued against such person in any cause arising out of damage caused
89 by the operation of any motor vehicle owned or operated by such
90 person. Money or collateral so deposited shall not be subject to
91 attachment or execution unless such attachment or execution arises out
92 of an action for damages, including personal injury or death, as a result
93 of the operation of any motor vehicle. Any person who furnishes proof
94 of financial responsibility by a deposit of money or collateral shall,
95 upon the service of any writ or summons arising out of any action for
96 damages including personal injury or death caused by the operation of
97 any motor vehicle, give written notice of such service to the
98 commissioner, who shall require that additional evidence of financial
99 responsibility be furnished to satisfy any judgment in any other action.
100 If a judgment rendered against the principal on a surety or real estate
101 bond is not satisfied within thirty days after its rendition, the judgment
102 creditor may, for his own use and benefit and at his sole expense, bring
103 an action in the name of the state against the company or person
104 executing such bond. A reasonable sum, not exceeding ten dollars,
105 shall be charged for such investigation of the title of any surety's real
106 estate or of collateral so deposited and of the value of the same and for
107 the filing fee to be paid to the town clerk.

108 (d) Repealed by P.A. 73-549, S. 2, 4.

109 (e) The commissioner shall furnish any person who may have been
110 injured in person or property by any motor vehicle, upon written
111 request, with such information as has been furnished to him as
112 evidence of the financial responsibility of any operator or owner of any
113 motor vehicle.

114 (f) Any operator or any registrant whose operator's license or
115 certificate of registration has been suspended as herein provided or
116 whose policy of liability insurance or surety bond has been cancelled
117 or who fails to furnish additional evidence of financial responsibility

118 upon request of the commissioner, shall immediately return to the
119 commissioner his operator's license or certificate of registration and the
120 number plate or plates issued thereunder. If any person fails to return
121 to the commissioner the operator's license or certificate of registration
122 and the number plate or plates issued thereunder as provided herein,
123 the commissioner shall forthwith direct any motor vehicle inspector,
124 state policeman or other police officer to secure possession thereof and
125 to return the same to the office of the commissioner. Failure to return
126 such operator's license or such certificate and such number plate or
127 plates shall be an infraction.

128 (g) The commissioner may cancel such bond or return such
129 evidence of financial responsibility or the Treasurer may, with the
130 consent of the commissioner, return such money or collateral to the
131 person furnishing the same, provided one year shall have elapsed from
132 the date of the suspension of such license during which period such
133 person has not, in the opinion of the commissioner, violated any
134 provision of the motor vehicle laws referred to in subsection (a) of this
135 section. The commissioner may direct the return of any money or
136 collateral to the person who furnished the same upon the acceptance
137 and substitution of other evidence of financial responsibility or at any
138 time after one year from the expiration of any registration or license
139 issued to such person.

140 (h) Any person who forges or, without authority, signs any
141 evidence of financial responsibility required by the commissioner in
142 the administration of this section shall be fined not less than one
143 hundred dollars or imprisoned not more than thirty days or both.

144 (i) Any person from whom proof of financial responsibility has been
145 required may, at the end of twelve months, apply to the commissioner
146 for removal of such requirements in a manner as determined by the
147 commissioner. The commissioner or his authorized representative may
148 make such further investigation as may be deemed necessary and,
149 upon being satisfied that such applicant is entitled to such elimination
150 of financial requirements, may eliminate the same.

151 (j) To entitle any person to receive or retain a motor vehicle
152 operator's license or a certificate of registration of any motor vehicle
153 when, in the opinion of the commissioner, such person has violated
154 any of the provisions of the following-named sections and subsections:
155 Section 14-44, as amended, section 14-80h, as amended, or 14-80i,
156 sections 14-110, 14-147, 14-217, 14-219, sections 14-228, 14-275 to 14-281,
157 inclusive, or subdivision (1) of subsection (a) of section 53a-123 or any
158 similar provision of the laws of any other state or any territory, or who
159 has been convicted of, or has forfeited any bond taken for appearance
160 for, or has received a suspended judgment or sentence for, a violation
161 of any of said provisions, or a violation of any of the provisions of
162 sections 14-230 to 14-247, inclusive, and 38a-371, as amended, within a
163 twelve-month period following a violation of any of said sections, the
164 commissioner may require from such person proof of financial
165 responsibility to satisfy any claim for damages by reason of personal
166 injury to, or the death of, any one person, of [twenty] twenty-five
167 thousand dollars, or by reason of personal injury to, or the death of,
168 more than one person on account of any accident, of at least [forty]
169 fifty thousand dollars, and for damage to property of at least [ten]
170 twenty-five thousand dollars. When the commissioner requires proof
171 of financial responsibility from an operator or owner of any motor
172 vehicle, he may require proof in the amounts herein specified for each
173 vehicle operated or owned by such person. If any person fails to
174 furnish such proof, the commissioner shall, until such proof is
175 furnished, suspend or revoke the license of such person to operate a
176 motor vehicle or refuse to return any license which has been
177 suspended or revoked in accordance with the provisions of section 14-
178 111, as amended, or suspend or revoke the registration of any such
179 motor vehicle or vehicles or refuse thereafter to register any motor
180 vehicle owned by such person or refuse to register any motor vehicle
181 transferred by him if it does not appear to the commissioner's
182 satisfaction that such transfer is a bona fide sale, or, if such person is
183 not a resident of this state, withdraw from such person the privilege of
184 operating any motor vehicle in this state and the privilege of operation
185 within this state of any motor vehicle owned by him. Prior to such

186 suspension, revocation or withdrawal, notice thereof shall be given by
187 the commissioner by a notice forwarded by bulk certified mail to the
188 address of such person as shown by the records of the commissioner.
189 No appeal taken from the judgment of any court shall act as a stay to
190 any action of the commissioner authorized by the provisions of this
191 section.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2006</i>	14-112
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INS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Department of Motor Vehicles	TF - See Below	See Below	See Below
Insurance Dept.	GF - See Below	See Below	See Below

Note: TF=Transportation Fund; GF=General Fund

Municipal Impact: None

Explanation

The bill increases certain insurance requirement thresholds for motor vehicle operators. The Departments of Insurance and Motor Vehicles will be able to accommodate any additional administrative functions resulting from passage of this bill within their anticipated budgetary resources.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis
SB 410*****AN ACT INCREASING THE FINANCIAL RESPONSIBILITY LIMITS
FOR MOTOR VEHICLE OPERATORS.*****SUMMARY:**

This bill increases the minimum amount of financial responsibility (e.g., insurance) that a person must have to obtain a driver's license or motor vehicle registration to \$25,000 for injury to or death of a person, \$50,000 for injury to or death of more than one person in any accident, and \$25,000 for property damage. Current minimums are \$20,000, \$40,000, and \$10,000, respectively.

By law, and unchanged by this bill, if any person fails to furnish proof of the minimum financial responsibility, the commissioner must, until proof is furnished, suspend or revoke the owner's license, refuse to return a suspended or revoked license, suspend or revoke the vehicle's registration, refuse to register any vehicle owned by the person, or refuse to register any vehicle transferred when it appears that the transfer is not a bona fide sale.

EFFECTIVE DATE: October 1, 2006

BACKGROUND***Related Laws***

Each automobile liability insurance policy must provide insurance, with limits not less than the minimums specified for bodily injury or death of any person and property damage arising out of the ownership, maintenance, or use of a specific motor vehicle (CGS § 38a-335).

The owner of a private passenger motor vehicle required to be registered in Connecticut must provide, and continuously maintain

throughout the vehicle registration period, financial security of at least the minimums specified. Failure to provide the required security is a class C misdemeanor, subject to a fine up to \$500, imprisonment up to three months, or both (CGS § 38a-371).

The owner of a private passenger motor vehicle or a vehicle with a combination or commercial registration registered or required to be registered in Connecticut is prohibited from operating or permitting the operation of the vehicle without the minimum financial security required. A person convicted of a violation is subject to a fine between \$100 and \$1,000, but an owner of a vehicle with a commercial registration who knowingly violates the requirement is guilty of a class D felony (imprisonment up to five years, a fine up to \$5,000, or both) (CGS § 14-213b).

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 19 Nay 0 (03/14/2006)