



General Assembly

January Session, 2007

Raised Bill No. 7056

LCO No. 3369

03369_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT REQUIRING A SINGLE FINANCIAL RESPONSIBILITY LIMIT 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 Section 14-112 of the general statutes is repealed and the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, 2007*):

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 thousand dollars, or by reason of personal injury
12 to, or the death of, more than one person on account of any accident, of
13 at least forty thousand dollars,] and for damage to property of [at least
14 ten] not less than fifty thousand dollars on account of any accident.
15 When the commissioner requires proof of financial responsibility from
16 an operator or owner of any motor vehicle, he may require proof in the

17 [amounts] amount herein specified for each vehicle operated or owned
18 by such person. If any person fails to furnish such proof, the
19 commissioner shall, until such proof is furnished, suspend or revoke
20 the license of such person to operate a motor vehicle or refuse to return
21 any license which has been suspended or revoked in accordance with
22 the provisions of section 14-111 or suspend or revoke the registration
23 of any such motor vehicle or vehicles or refuse thereafter to register
24 any motor vehicle owned by such person or refuse to register any
25 motor vehicle transferred by him if it does not appear to the
26 commissioner's satisfaction that such transfer is a bona fide sale, or, if
27 such person is not a resident of this state, withdraw from such person
28 the privilege of operating any motor vehicle in this state and the
29 privilege of operation within this state of any motor vehicle owned by
30 him. Prior to such suspension, revocation or withdrawal, notice thereof
31 shall be given by the commissioner by a notice forwarded by bulk
32 certified mail to the address of such person as shown by the records of
33 the commissioner. No appeal taken from the judgment of any court
34 shall act as a stay to any action of the commissioner authorized by the
35 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] amount provided
41 by this section in the form of a certificate signed by any person
42 authorized in writing by an officer of any company authorized to issue
43 such insurance in this state or any agent of such company licensed
44 under the provisions of section 38a-769, showing that a policy of
45 insurance in such [amounts] amount, noncancellable except after ten
46 days' 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] amount and shall not be cancellable
55 except after ten days' written notice to the commissioner. Such bond
56 shall constitute a lien in favor of the state upon the real estate of any
57 surety, which lien shall exist in favor of any holder of a judgment on
58 account of damage caused by the operation of such person's motor
59 vehicle, upon the filing of notice to that effect by the commissioner in
60 the town clerk's office in the town where such real estate is located.
61 Such proof of financial responsibility may also be evidence presented
62 to the commissioner of a deposit by such person with the State
63 Treasurer of a sum of money or collateral, the amount of which money
64 or collateral shall be determined by and shall be satisfactory to the
65 commissioner. The State Treasurer shall accept any such deposit and
66 issue a receipt therefor, and, if such deposit is a sum of money, the
67 state shall pay interest thereon if so directed by the Secretary of the
68 Office of Policy and Management at a rate not greater than the amount
69 received by the state. The Treasurer may deposit any money so
70 received in any incorporated savings bank located in this state.
71 Whenever any agent of an insurance company certifies to evidence of
72 the insuring of any person, from whom proof of financial
73 responsibility has been required, by the company for which such agent
74 is authorized to solicit, negotiate or effect contracts of insurance, such
75 company shall notify the commissioner of the cancellation or
76 termination of the policy referred to in such certificate at least ten days
77 before the effective date of such cancellation or termination, provided
78 such notice shall not be required if such policy is renewed by such
79 company, and provided a policy subsequently procured and referred
80 to in a certificate filed with the commissioner shall, on the effective
81 date of such policy, terminate the policy referred to in any certificate
82 previously filed with respect to any motor vehicles designated in both
83 certificates or, in case of an operator's policy, with respect to any
84 operator designated in both certificates. Additional evidence of

85 financial responsibility shall be furnished the commissioner at any
86 time upon his request therefor.

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

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

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

115 (f) Any operator or any registrant whose operator's license or
116 certificate of registration has been suspended as herein provided or

117 whose policy of liability insurance or surety bond has been cancelled
118 or who fails to furnish additional evidence of financial responsibility
119 upon request of the commissioner, shall immediately return to the
120 commissioner his operator's license or certificate of registration and the
121 number plate or plates issued thereunder. If any person fails to return
122 to the commissioner the operator's license or certificate of registration
123 and the number plate or plates issued thereunder as provided herein,
124 the commissioner shall forthwith direct any motor vehicle inspector,
125 state policeman or other police officer to secure possession thereof and
126 to return the same to the office of the commissioner. Failure to return
127 such operator's license or such certificate and such number plate or
128 plates shall be an infraction.

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

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

145 (i) Any person from whom proof of financial responsibility has been
146 required may, at the end of twelve months, apply to the commissioner
147 for removal of such requirements in a manner as determined by the
148 commissioner. The commissioner or his authorized representative may

149 make such further investigation as may be deemed necessary and,
150 upon being satisfied that such applicant is entitled to such elimination
151 of financial requirements, may eliminate the same.

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

192 Sec. 2. Section 14-70 of the general statutes is repealed and the
193 following is substituted in lieu thereof (*Effective October 1, 2007*):

194 The commissioner may deny the application of any person for a
195 license if he determines that: (a) Such applicant has made a material
196 false statement or concealed a material fact in connection with his
197 application; (b) such applicant, any officer, director, stockholder or
198 partner, or any other person directly or indirectly interested in the
199 business, was the former holder of a license under this part, or was an
200 officer, director, stockholder or partner in a corporation or partnership
201 which held a license under this part, which license was revoked or
202 suspended by the commissioner; (c) such applicant or any officer,
203 director, stockholder, partner, employee or any other person directly
204 or indirectly interested in the business has failed to furnish satisfactory
205 evidence of good moral character, reputation and fitness or is an
206 employee of the Department of Motor Vehicles; (d) such applicant
207 does not have a place of business; (e) such applicant is not the true
208 owner of the drivers' school; or (f) the application is not accompanied
209 by a certificate from the applicant's insurance carrier in such form as
210 the commissioner shall prescribe showing that each motor vehicle used
211 by such school has been insured for at least the minimum [amounts]
212 amount required by subsection (a) of section 14-112, as amended by
213 this act, and such certificate shall stipulate that the insurance shall not
214 be cancelled except upon ten days' written notice to the commissioner.

215 Sec. 3. Section 14-216 of the general statutes is repealed and the
216 following is substituted in lieu thereof (*Effective October 1, 2007*):

217 No person under the age of eighteen years shall operate any motor
218 vehicle upon the highways of this state, and no person shall cause or
219 permit such operation of any motor vehicle by any such person, unless
220 such motor vehicle has been insured for the [amounts] amount
221 required by section 14-112, as amended by this act. Violation of any
222 provision of this section shall be an infraction. This section shall not
223 apply to any motor vehicle bearing farm registration plates.

224 Sec. 4. Section 14-289f of the general statutes is repealed and the
225 following is substituted in lieu thereof (*Effective October 1, 2007*):

226 No owner of any motorcycle, as defined in section 14-1, registered
227 in this state may operate or permit the operation of such motorcycle
228 unless it has been insured for the [amounts] amount required by
229 section 14-112, as amended by this act, with an exclusion in personal
230 injury coverage for passengers. Violation of any provision of this
231 section shall be an infraction.

232 Sec. 5. Subsection (a) of section 38a-335 of the general statutes is
233 repealed and the following is substituted in lieu thereof (*Effective*
234 *October 1, 2007*):

235 (a) Each automobile liability insurance policy shall provide
236 insurance in accordance with the regulations adopted pursuant to
237 section 38a-334 against loss resulting from the liability imposed by law,
238 with [limits] a limit not less than [those] that specified in subsection (a)
239 of section 14-112, as amended by this act, for damages because of
240 bodily injury or death of any person and injury to or destruction of
241 property arising out of the ownership, maintenance or use of a specific
242 motor vehicle or motor vehicles within any state, territory, or
243 possession of the United States of America or Canada.

244 Sec. 6. Subsection (a) of section 38a-336 of the general statutes is

245 repealed and the following is substituted in lieu thereof (*Effective*
246 *October 1, 2007*):

247 (a)(1) Each automobile liability insurance policy shall provide
248 insurance, herein called uninsured and underinsured motorist
249 coverage, in accordance with the regulations adopted pursuant to
250 section 38a-334, with [limits] a limit for bodily injury or death not less
251 than [those] the limit specified in subsection (a) of section 14-112, as
252 amended by this act, for the protection of persons insured thereunder
253 who are legally entitled to recover damages from owners or operators
254 of uninsured motor vehicles and underinsured motor vehicles and
255 insured motor vehicles, the insurer of which becomes insolvent prior
256 to payment of such damages, because of bodily injury, including death
257 resulting therefrom. Each insurer licensed to write automobile liability
258 insurance in this state shall provide uninsured and underinsured
259 motorists coverage with limits requested by any named insured upon
260 payment of the appropriate premium, provided each such insurer shall
261 offer such coverage with limits that are twice the limits of the bodily
262 injury coverage of the policy issued to the named insured. The
263 insured's selection of uninsured and underinsured motorist coverage
264 shall apply to all subsequent renewals of coverage and to all policies or
265 endorsements which extend, change, supersede or replace an existing
266 policy issued to the named insured, unless changed in writing by any
267 named insured. No insurer shall be required to provide uninsured and
268 underinsured motorist coverage to (A) a named insured or relatives
269 residing in his household when occupying, or struck as a pedestrian
270 by, an uninsured or underinsured motor vehicle or a motorcycle that is
271 owned by the named insured, or (B) any insured occupying an
272 uninsured or underinsured motor vehicle or motorcycle that is owned
273 by such insured.

274 (2) Notwithstanding any provision of this section to the contrary,
275 each automobile liability insurance policy issued or renewed on and
276 after January 1, 1994, shall provide uninsured and underinsured
277 motorist coverage with [limits] a limit for bodily injury and death

278 equal to [those] that purchased to protect against loss resulting from
 279 the liability imposed by law unless any named insured requests in
 280 writing a lesser amount, but not less than the [limits] limit specified in
 281 subsection (a) of section 14-112, as amended by this act. Such written
 282 request shall apply to all subsequent renewals of coverage and to all
 283 policies or endorsements which extend, change, supersede or replace
 284 an existing policy issued to the named insured, unless changed in
 285 writing by any named insured. No such written request for a lesser
 286 amount shall be effective unless any named insured has signed an
 287 informed consent form which shall contain: (A) An explanation of
 288 uninsured and underinsured motorist insurance approved by the
 289 commissioner; (B) a list of uninsured and underinsured motorist
 290 coverage options available from the insurer; and (C) the premium cost
 291 for each of the coverage options available from the insurer. Such
 292 informed consent form shall contain a heading in twelve-point type
 293 and shall state: "WHEN YOU SIGN THIS FORM, YOU ARE
 294 CHOOSING A REDUCED PREMIUM, BUT YOU ARE ALSO
 295 CHOOSING NOT TO PURCHASE CERTAIN VALUABLE
 296 COVERAGE WHICH PROTECTS YOU AND YOUR FAMILY. IF YOU
 297 ARE UNCERTAIN ABOUT HOW THIS DECISION WILL AFFECT
 298 YOU, YOU SHOULD GET ADVICE FROM YOUR INSURANCE
 299 AGENT OR ANOTHER QUALIFIED ADVISER."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	14-112
Sec. 2	<i>October 1, 2007</i>	14-70
Sec. 3	<i>October 1, 2007</i>	14-216
Sec. 4	<i>October 1, 2007</i>	14-289f
Sec. 5	<i>October 1, 2007</i>	38a-335(a)
Sec. 6	<i>October 1, 2007</i>	38a-336(a)

Statement of Purpose:

To require a combined single financial responsibility limit of fifty thousand dollars per accident for motor vehicle operators.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]