



# OLR RESEARCH REPORT

July 24, 2013

2013-R-0274

## **MOTOR VEHICLE FINANCIAL RESPONSIBILITY IN NEW HAMPSHIRE**

By: Janet L. Kaminski Leduc, Senior Legislative Attorney

You asked for a brief description of New Hampshire's motor vehicle financial responsibility law, including (1) what triggers the requirement that a person prove financial responsibility and (2) when must that proof be in the form of an automobile insurance policy.

### **SUMMARY**

New Hampshire is the only state that does not mandate auto insurance for all drivers. (See OLR Research Report [2013-R-0258](#) for a discussion of auto insurance requirements in other states.) Instead, it requires drivers to show that they are able to provide sufficient funds in the case of an at-fault accident (i.e., proof of financial responsibility). However, a person may be required to purchase and maintain auto insurance for a period of time if he or she is convicted of certain motor vehicle-related violations, including driving while intoxicated, vehicular homicide, leaving the scene of an accident, and second and subsequent offenses of reckless operation of a motor vehicle.

If a person is required to have auto insurance, the policy must cover a minimum of \$25,000 bodily injury coverage per person, \$50,000 bodily injury coverage per accident, and \$25,000 in property damage coverage. The policy must also include (1) at least \$1,000 of medical payments coverage and (2) uninsured and underinsured motorist coverage.

## **FINANCIAL RESPONSIBILITY**

In New Hampshire, after a driver is found at fault in an accident, he or she must provide “proof of financial responsibility,” that is, proof that he or she can provide sufficient funds to cover damages resulting from accidents that occur in the state and arise out of the ownership, maintenance, control, or use of a motor vehicle (N.H. Rev. Stat. § 264:20). The amount of proof one must provide is \$25,000 because of bodily injury or death to one person, \$50,000 because of bodily injury to two or more people in any one accident, and \$25,000 because of injury to or destruction of property.

Proof of financial responsibility may be given by (1) purchasing and maintaining an auto insurance policy from an insurance company or (2) depositing money or securities with the state treasurer (N.H. Rev. Stat. §§ 264.21 & 264.22).

### ***Circumstances When Insurance is Required***

The Financial Responsibility Unit of the New Hampshire Department of Safety’s Division of Motor Vehicles (DMV) notifies a person in writing if he or she is required to purchase and maintain auto insurance to satisfy his or her financial responsibility.

Auto insurance may be required as the result of a conviction, accident, or administrative action. For example, the DMV may suspend the driver’s license and vehicle registration of a person who is convicted of the following offenses, unless and until the person gives and maintains proof of financial responsibility in the form of auto insurance:

1. driving while under the influence of intoxicating liquor or narcotic drugs,
2. failing to stop and report when involved in an accident,
3. homicide or assault arising out of driving a motor vehicle,
4. the second time driving a vehicle at an excessive rate of speed, and
5. the second time driving recklessly and violating any other state law relative to vehicles (N.H. Rev. Stat. § 264:2 and N.H. Code Admin. R. Saf-C §§ 207.01 to 207.12).

The requirement to carry auto insurance in these instances remains in place for three years from the date of the accident involvement, final conviction, or administrative action requiring the insurance. This period is extended for three additional years from the date of a subsequent incident, such as involvement in an uninsured accident, an unsatisfied judgment resulting from an uninsured accident, certification as a habitual offender, or any other action which requires proof of financial responsibility (N.H. Code Admin. R. Saf-C § 207.12).

JKL:ts