

HCS HB 1155 -- UNINSURED MOTORISTS

SPONSOR: Yates

COMMITTEE ACTION: Voted "do pass" by the Committee on Insurance Policy by a vote of 14 to 0.

This substitute establishes the Uninsured Motorist Stipulation of Benefits Act of 2006. An uninsured motorist involved in an accident with a complying policyholder will waive any right to recover damages for a non-economic loss and punitive damages. Recovery will be limited to any economic loss. The waiver will not apply if it can be proven that the insured motorist caused the accident and was under the influence of drugs or alcohol or is convicted of vehicular assault or homicide. Passengers in the uninsured motor vehicle will not be subject to the waiver. The substitute will not apply to a motorist whose insurance policy was terminated for failure to pay the premium unless notice of termination for failure to pay was provided by the insurer at least 30 days prior to the accident.

If a motor vehicle owner fails to maintain financial responsibility as required in Section 303.160, RSMo, the owner will be guilty of a class B misdemeanor for a first offense and a class A misdemeanor for a second or subsequent violation and will have his or her motor vehicle impounded and driver's license suspended. The first-time reinstatement fee for a suspended driver's license due to the owner not maintaining financial responsibility on a motor vehicle is increased from \$20 to \$100.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$32,269 in FY 2007, \$0 in FY 2008, and \$0 in FY 2009. Estimated Income on Other State Funds of \$751,650 to \$765,800 in FY 2007, \$901,980 in FY 2008, and \$901,980 in FY 2009.

PROPONENTS: Supporters say that the bill will limit the ability of an illegally uninsured owner and operator of a motor vehicle from claiming non-economic losses from a tortfeasor. No recovery for damages when the person is not following the law has been suggested as a remedy to redress systemic fairness issues, encourage the purchase of insurance, and reduce insurance costs. Responsible motorists must purchase increasingly expensive uninsured motor vehicle insurance in order to be fully protected for accidents caused by uninsured drivers.

Testifying for the bill were Representative Yates; State Farm Insurance Companies; Missouri Insurance Coalition; Property Casualty Insurers Association of America; and American Insurance Association.

OPPONENTS: Those who oppose the bill say it will reward irresponsible behavior. If someone uninsured that is properly operating a vehicle is involved in an accident with an insured motorist that is not paying attention to the road, the insured motorist can get out of paying for the non-economic loss just because he or she hit someone without insurance. The correct way to fix this problem is to enforce the laws already on the books.

Testifying against the bill was Missouri Association of Trial Attorneys.

Marc Webb, Legislative Analyst