

HB 1722 -- MOTOR VEHICLE LIABILITY INSURANCE

SPONSOR: Nichols

This bill requires insurers to provide notification to the Department of Revenue of a lapse in liability coverage within three business days. Information provided to the department is specified in the bill. Cancellation or termination of policy is not allowed until 10 days after the notification is made.

The insurer must notify a policyholder within three business days of any lapse of the policyholder's motor vehicle liability policy. After providing notice to the policyholder, the owner of the motor vehicle with a lapsed liability insurance policy must file proof of liability insurance coverage for the motor vehicle and pay all related fees to the department within 20 days of cancellation or termination.

If the owner fails to comply with the requirements of this section, the department must notify the owner of the motor vehicle in writing of his or her failure to maintain the required financial responsibility for the motor vehicle and instruct the owner to surrender the motor vehicle license plates to the nearest license office of the department.

If proof of financial responsibility is not filed and the motor vehicle license plates are not surrendered within 30 days of the cancellation or termination of the motor vehicle liability insurance policy, the department must notify the State Highway Patrol that the registration for the motor vehicle is no longer valid and the license plates for the motor vehicle are required to be surrendered to the nearest license office of the department.

The department must notify all of its license offices that an additional reinstatement fee in the amount of \$50 must be imposed for any new license plates for the same motor vehicle or for the renewal of the existing license plates for the motor vehicle.

The use of electronic notification is also allowed for purposes of suspension of licenses by the director under Section 303.041.