

By Representative Simmons

1 A bill to be entitled
2 An act relating to motor vehicle financial
3 responsibility; amending s. 324.021, F.S.;
4 revising the definition of the term "motor
5 vehicle"; increasing financial responsibility
6 limits with respect to bodily injury or death
7 in a single accident; creating s. 324.023,
8 F.S.; requiring proof of financial
9 responsibility for bodily injury or death;
10 amending s. 324.031, F.S.; increasing limits
11 for proof of financial responsibility for
12 for-hire transportation vehicle certificates of
13 self-insurance; amending s. 324.161, F.S.;
14 increasing the amount required for a surety
15 bond or deposit for proof of financial
16 responsibility; amending s. 324.171, F.S.;
17 revising the required threshold limit for
18 self-insurers; amending ss. 316.646 and
19 627.733, F.S., to conform to the act; providing
20 an effective date.

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22 Be It Enacted by the Legislature of the State of Florida:

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24 Section 1. Subsection (1) and paragraphs (a) and (b)
25 of subsection (7) of section 324.021, Florida Statutes, are
26 amended to read:

27 324.021 Definitions; minimum insurance required.--The
28 following words and phrases when used in this chapter shall,
29 for the purpose of this chapter, have the meanings
30 respectively ascribed to them in this section, except in those
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1 instances where the context clearly indicates a different
2 meaning:

3 (1) MOTOR VEHICLE.--Every self-propelled vehicle which
4 is designed and required to be licensed for use upon a
5 highway, including trailers and semitrailers designed for use
6 with such vehicles, except traction engines, road rollers,
7 farm tractors, power shovels, and well drillers, and every
8 vehicle which is propelled by electric power obtained from
9 overhead wires but not operated upon rails, but not including
10 any bicycle or moped. ~~However, the term "motor vehicle" shall~~
11 ~~not include any motor vehicle as defined in s. 627.732(1) when~~
12 ~~the owner of such vehicle has complied with the requirements~~
13 ~~of ss. 627.730-627.7405, inclusive, unless the provisions of~~
14 ~~s. 324.051 apply; and, in such case, the applicable proof of~~
15 ~~insurance provisions of s. 320.02 apply.~~

16 (7) PROOF OF FINANCIAL RESPONSIBILITY.--That proof of
17 ability to respond in damages for liability on account of
18 crashes arising out of the use of a motor vehicle:

19 (a) In the amount of ~~\$10,000~~ \$25,000 because of bodily
20 injury to, or death of, one person in any one crash;

21 (b) Subject to such limits for one person, in the
22 amount of ~~\$20,000~~ \$50,000 because of bodily injury to, or
23 death of, two or more persons in any one crash;

24 Section 2. Section 324.023, Florida Statutes, is
25 created to read:

26 324.023 Financial responsibility for bodily injury or
27 death.--Every owner of a motor vehicle that is required to be
28 registered in this state and every operator of any motor
29 vehicle located within this state shall, by one of the methods
30 established in s. 324.031, establish and maintain the ability
31 to respond in damages for liability on account of accidents

1 arising out of the use of the motor vehicle in the amounts
2 prescribed in s. 324.021(7)(a) and (b). This section does not
3 apply to any motor vehicle that has been continuously and
4 exclusively used for a commercial purpose since being acquired
5 by its current owner.

6 Section 3. Section 324.031, Florida Statutes, is
7 amended to read:

8 324.031 Manner of proving financial
9 responsibility.--The owner or operator of a taxicab,
10 limousine, jitney, or any other for-hire passenger
11 transportation vehicle may prove financial responsibility by
12 providing satisfactory evidence of holding a motor vehicle
13 liability policy as defined in s. 324.021(8) or s. 324.151,
14 which policy is issued by an insurance carrier which is a
15 member of the Florida Insurance Guaranty Association. The
16 operator or owner of any other vehicle may prove his or her
17 financial responsibility by:

18 (1) Furnishing satisfactory evidence of holding a
19 motor vehicle liability policy as defined in ss. 324.021(8)
20 and 324.151;

21 (2) Posting with the department a satisfactory bond of
22 a surety company authorized to do business in this state,
23 conditioned for payment of the amount specified in s.
24 324.021(7);

25 (3) Furnishing a certificate of the department showing
26 a deposit of cash or securities in accordance with s. 324.161;
27 or

28 (4) Furnishing a certificate of self-insurance issued
29 by the department in accordance with s. 324.171.

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1 Any person, including any firm, partnership, association,
2 corporation, or other person, other than a natural person,
3 electing to use the method of proof specified in subsection
4 (2) or subsection (3) shall post a bond or deposit equal to
5 the number of vehicles owned times \$60,000~~\$30,000~~, to a
6 maximum of \$240,000~~\$120,000~~; in addition, any such person,
7 other than a natural person, shall maintain insurance
8 providing coverage in excess of limits of
9 \$25,000/50,000/10,000~~\$10,000/20,000/10,000~~ or \$60,000~~\$30,000~~
10 combined single limits, and such excess insurance shall
11 provide minimum limits of \$125,000/250,000/50,000
12 ~~\$50,000/100,000/50,000~~ or \$300,000~~\$150,000~~ combined single
13 limits.

14 Section 4. Section 324.161, Florida Statutes, is
15 amended to read:

16 324.161 Proof of financial responsibility; surety bond
17 or deposit.--The certificate of the department of a deposit
18 may be obtained by depositing with it \$60,000~~\$30,000~~ cash or
19 securities such as may be legally purchased by savings banks
20 or for trust funds, of a market value of \$60,000~~\$30,000~~ and
21 which deposit shall be held by the department to satisfy, in
22 accordance with the provisions of this chapter, any execution
23 on a judgment issued against such person making the deposit,
24 for damages because of bodily injury to or death of any person
25 or for damages because of injury to or destruction of property
26 resulting from the use or operation of any motor vehicle
27 occurring after such deposit was made. Money or securities so
28 deposited shall not be subject to attachment or execution
29 unless such attachment or execution shall arise out of a suit
30 for damages as aforesaid.

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1 Section 5. Paragraphs (a) and (b) of subsection (1) of
2 section 324.171, Florida Statutes, are amended to read:

3 324.171 Self-insurer.--

4 (1) Any person may qualify as a self-insurer by
5 obtaining a certificate of self-insurance from the department
6 which may, in its discretion and upon application of such a
7 person, issue said certificate of self-insurance when such
8 person has satisfied the requirements of this section to
9 qualify as a self-insurer under this section:

10 (a) A private individual with private passenger
11 vehicles shall possess a net unencumbered worth of at least
12 \$60,000~~\$40,000~~.

13 (b) A person, including any firm, partnership,
14 association, corporation, or other person, other than a
15 natural person, shall:

16 1. Possess a net unencumbered worth of at least
17 \$60,000~~\$40,000~~ for the first motor vehicle and \$50,000
18 ~~\$20,000~~ for each additional motor vehicle; or

19 2. Maintain sufficient net worth, as determined
20 annually by the department, pursuant to rules promulgated by
21 the department, with the assistance of the Department of
22 Insurance, to be financially responsible for potential losses.
23 The rules shall take into consideration excess insurance
24 carried by the applicant. The department's determination
25 shall be based upon reasonable actuarial principles
26 considering the frequency, severity, and loss development of
27 claims incurred by casualty insurers writing coverage on the
28 type of motor vehicles for which a certificate of
29 self-insurance is desired.

30 (c) The owner of a commercial motor vehicle, as
31 defined in s. 207.002(2) or s. 320.01, may qualify as a

1 self-insurer subject to the standards provided for in
2 subparagraph (b)2.

3 Section 6. Subsections (1) and (3) of section 316.646,
4 Florida Statutes, are amended to read:

5 316.646 Security required; proof of security and
6 display thereof; dismissal of cases.--

7 (1) Any person required by s. 627.733 to maintain
8 personal injury protection security on a motor vehicle or any
9 person required by s. 324.023 to maintain liability coverage
10 for bodily injury or death shall have in his or her immediate
11 possession at all times while operating such motor vehicle
12 proper proof of maintenance of the security required by ~~ss.s.~~
13 627.733 and 324.023. Such proof shall be either a uniform
14 proof-of-insurance card in a form prescribed by the
15 department, a valid insurance policy, an insurance policy
16 binder, a certificate of insurance, or such other proof as may
17 be prescribed by the department.

18 (3) Any person who violates this section is guilty of
19 a nonmoving traffic infraction subject to the penalty provided
20 in chapter 318 and shall be required to furnish proof of
21 security as provided in this section. If any person charged
22 with a violation of this section fails to furnish proof, at or
23 before the scheduled court appearance date, that security was
24 in effect at the time of the violation, the court may
25 immediately suspend the registration and driver's license of
26 such person. Such license and registration may only be
27 reinstated as provided in s. 627.733 or s. 324.023.

28 Section 7. Subsection (7) of section 627.733, Florida
29 Statutes, is amended to read:

30 627.733 Required security.--
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1 (7) Any operator or owner whose driver's license or
2 registration has been suspended pursuant to this section or s.
3 316.646 may effect its reinstatement upon compliance with the
4 requirements of this section and upon payment to the
5 Department of Highway Safety and Motor Vehicles of a
6 nonrefundable reinstatement fee of \$150 for the first
7 reinstatement. Such reinstatement fee shall be \$250 for the
8 second reinstatement and \$500 for each subsequent
9 reinstatement during the 3 years following the first
10 reinstatement. Any person reinstating her or his insurance
11 under this subsection must also secure noncancelable coverage
12 as described in ~~ss. s-~~627.7275(2) and 324.021(8) and present
13 to the appropriate person proof that the coverage is in force
14 on a form promulgated by the Department of Highway Safety and
15 Motor Vehicles, such proof to be maintained for 2 years. If
16 the person does not have a second reinstatement within 3 years
17 after her or his initial reinstatement, the reinstatement fee
18 shall be \$150 for the first reinstatement after that 3-year
19 period. In the event that a person's license and registration
20 are suspended pursuant to this section or s. 316.646, only one
21 reinstatement fee shall be paid to reinstate the license and
22 the registration. All fees shall be collected by the
23 Department of Highway Safety and Motor Vehicles at the time of
24 reinstatement. The Department of Highway Safety and Motor
25 Vehicles shall issue proper receipts for such fees and shall
26 promptly deposit those fees in the Highway Safety Operating
27 Trust Fund. One-third of the fee collected under this
28 subsection shall be distributed from the Highway Safety
29 Operating Trust Fund to the local government entity or state
30 agency which employed the law enforcement officer or the
31 recovery agent who seizes a license plate pursuant to s.

1 324.201 or to s. 324.202. Such funds may be used by the local
2 government entity or state agency for any authorized purpose.

3 Section 8. This act shall take effect upon becoming a
4 law.

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7 HOUSE SUMMARY

8
9 Revises provisions of law governing proof of financial
responsibility for the operation of a motor vehicle to:

10 1. Redefine the term "motor vehicle" to eliminate an
exclusion.

11 2. Increase financial responsibility limits to
\$25,000 because of bodily injury to or death of one
12 person in one accident and \$50,000 because of bodily
injury to or death of two or more persons in one
accident.

13 3. Require financial responsibility for bodily
injury or death by every owner of a motor vehicle that is
14 required to be registered in this state and every
operator of a motor vehicle located within this state.

15 4. Increase required bond amounts for proof of
financial responsibility.

16 5. Increase to \$60,000 the threshold amount for
17 self-insurers for the first motor vehicle and to \$50,000
the amount for each additional motor vehicle.

18 See bill for details.
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