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## FISCAL IMPACT REPORT

SPONSOR: Payne DATE TYPED: 01/31/01 HB \_\_\_\_\_  
 SHORT TITLE: Vehicle Insurance Personal Responsibility Act SB 60  
 ANALYST: Rael

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
No Fiscal Impact					

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB 196.

### SOURCES OF INFORMATION

Public Regulatory Commissions (PRC)  
 Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

The Vehicle Insurance Personal Responsibility Act would preclude an individual's recovery from an auto accident that was not his or her fault under the following circumstances:

1. the injured person was convicted of DWI at the time of the accident,
2. the injured person fails to produce proof of financial responsibility,
3. the injured person was operating a vehicle and was in violation of the Mandatory Financial Responsibility Act,
4. the injured person was operating the vehicle with a suspended or revoked license,
5. the injured person was committing a felony or fleeing the crime scene at the time of the accident.

The bill also precludes recovery of any non-economic (such as emotional) damages unless the insured acted willfully or wantonly with the exception of the DWI and felony/crime scene circumstances.

Significant Issues

The current motor vehicle insurance system is based on traditional notions of tort law, that is, whoever is at fault in an accident pays damages to any person who suffers injuries as a result of the tortfeasor's negligence in proportion to fault. This Act would preclude recovery under the enumerated circumstances, regardless of the level of fault of the insured driver.

**FISCAL IMPLICATIONS**

No fiscal impact.

**OTHER SUBSTANTIVE ISSUES**

The TRD believes that this bill could lower litigation expenses for insurance companies when the injured driver meets one of the criteria listed because they would be totally precluded from any recovery. The class of people not included in the list may experience decreased insurance rates as a result.

**POSSIBLE QUESTIONS**

Currently, many insurance policies exclude coverage if the injury was the result of an intentional (willful or wanton) act. Would Section 4.B. have the effect of mandating insurance coverage for intentional acts?

FAR/njw