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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- SAFETY RESPONSIBILITY
ADMINISTRATION -- SECURITY

Introduced By: Senators Archambault, Ruggerio, Lombardi, and McCaffrey

Date Introduced: February 25, 2021

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 31-31-4, 31-31-5, 31-31-6, 31-31-7, 31-31-8, 31-31-9, 31-31-10,
2 31-31-11, 31-31-12, 31-31-13, 31-31-14, 31-31-15, 31-31-16, 31-31-17, 31-31-18, 31-31-19, 31-
3 31-20 and 31-31-21 of the General Laws in Chapter 31-31 entitled "Safety Responsibility
4 Administration - Security Following Accident" are hereby repealed.

5 **31-31-4. Application of chapter.**

6 ~~The provisions of this chapter requiring a deposit of security and suspensions for failure to~~
7 ~~deposit security, subject to certain exemptions, shall apply to the driver and owner of any vehicle~~
8 ~~of a type subject to registration under the motor vehicle laws of this state, which is in any manner~~
9 ~~involved in an accident within this state, which accident has resulted in bodily injury to or death of~~
10 ~~any person or damage to the property of any one person in excess of five hundred dollars (\$500).~~

11 **31-31-5. Determination of security required -- Notices.**

12 ~~(a) The division of motor vehicles, not less than twenty (20) days after receipt of a report~~
13 ~~of an accident as described in § 31-31-4, shall determine the amount of security which shall be~~
14 ~~sufficient in its judgments to satisfy any judgment or judgments for damages resulting from the~~
15 ~~accident as may be recovered against each driver or owner. The determination shall not be made~~
16 ~~with respect to drivers or owners who are exempt under succeeding sections of this chapter from~~
17 ~~the requirements as to security and suspension.~~

18 ~~(b) The division of motor vehicles shall determine the amount of security deposit required~~

1 ~~of any person upon the basis of the reports or other information submitted. In the event a person~~
2 ~~involved in an accident as described in this chapter fails to make a report or submit information~~
3 ~~indicating the extent of his or her injuries or the damage to his or her property within ninety (90)~~
4 ~~days after the accident, and the division of motor vehicles does not have sufficient information on~~
5 ~~which to base an evaluation of the injuries or damage, then the division of motor vehicles, after~~
6 ~~reasonable notice to the person, if it is possible to give notice, otherwise without notice, shall not~~
7 ~~require any deposit of security for the benefit or protection of the person.~~

8 ~~(e) The division of motor vehicles within ninety (90) days after receipt of report of any~~
9 ~~accident referred to herein, and upon determining the amount of security to be required of any~~
10 ~~person involved in the accident or to be required of the owner of any vehicle involved in the~~
11 ~~accident, shall give written notice to the person of the amount of security required to be deposited~~
12 ~~by him or her, and that an order of suspension will be made as provided in this chapter upon the~~
13 ~~expiration of ten (10) days after the sending of the notice unless within the time security is deposited~~
14 ~~as required by the notice.~~

15 **31-31-6. Exceptions to requirement of security.**

16 The requirements as to security and suspension in this chapter shall not apply:

17 (1) ~~To the driver or owner if the owner had in effect at the time of the accident an~~
18 ~~automobile liability policy or bond with respect to the vehicle involved in the accident, except that~~
19 ~~a driver shall not be exempt under this subdivision if at the time of the accident the vehicle was~~
20 ~~being operated without the owner's permission, express or implied;~~

21 (2) ~~To the driver, if not the owner of the vehicle involved in the accident, if there was in~~
22 ~~effect at the time of the accident an automobile liability policy or bond with respect to his or her~~
23 ~~driving of vehicles not owned by him or her;~~

24 (3) ~~To a driver or owner whose liability for damages resulting from the accident is, in the~~
25 ~~judgment of the division of motor vehicles, covered by any other form of liability insurance policy~~
26 ~~or bond;~~

27 (4) ~~To any person qualifying as a self insurer under § 31-33-9 or to any person operating a~~
28 ~~vehicle for the self insurer;~~

29 (5) ~~To the driver or the owner of a vehicle involved in an accident if no injury or damage~~
30 ~~was caused to the person or property of anyone other than the driver or owner;~~

31 (6) ~~To the driver or owner of a vehicle if at the time of the accident the vehicle was stopped,~~
32 ~~standing, or parked, whether attended or unattended except in the event that the division of motor~~
33 ~~vehicles shall determine that any such stopping, standing, or parking of the vehicle was illegal, and~~
34 ~~that the violation contributed to the cause of the accident;~~

1 ~~(7) To the owner of a vehicle if at the time of the accident the vehicle was being operated~~
2 ~~without the owner's permission, express or implied, or was parked by a person who had been~~
3 ~~operating the vehicle without permission;~~

4 ~~(8) To the owner of a vehicle involved in an accident if at the time of the accident the~~
5 ~~vehicle was owned by or leased to the United States, to this state or to a municipality of it, or to the~~
6 ~~driver of the vehicle if operating the vehicle with permission; or~~

7 ~~(9) To the driver or the owner of a vehicle in the event, at the time of the accident the~~
8 ~~vehicle was being operated by or under the direction of a police officer who, in the performance of~~
9 ~~his or her duties, shall have assumed custody of the vehicle.~~

10 **31-31-7. Requirements as to policy or bond.**

11 ~~(a) No policy or bond shall be effective under § 31-31-6 unless issued by an insurance~~
12 ~~company or surety company authorized to do business in this state, except as provided in subsection~~
13 ~~(b) of this section, nor unless the policy or bond is subject, if the accident has resulted in bodily~~
14 ~~injury or death, to a limit, exclusive of interest and costs, of not less than twenty five thousand~~
15 ~~dollars (\$25,000) because of bodily injury to or death of one person, in any one accident and subject~~
16 ~~to the limit for one person, to a limit of not less than fifty thousand dollars (\$50,000) because of~~
17 ~~bodily injury to or death of two (2) or more persons in any one accident, and if the accident has~~
18 ~~resulted in injury to, or destruction of, property to a limit of not less than twenty five thousand~~
19 ~~dollars (\$25,000) because of injury to or destruction of property of others in any one accident.~~

20 ~~(b) No policy or bond shall be effective under § 31-31-6 with respect to any vehicle which~~
21 ~~was not registered in this state or was a vehicle which was registered elsewhere than in this state at~~
22 ~~the effective date of the policy or bond or the most recent renewal thereof, unless the insurance~~
23 ~~company or surety company issuing the policy or bond is authorized to do business in this state, or~~
24 ~~if the company is not authorized to do business in this state, unless it shall execute a power of~~
25 ~~attorney authorizing the administrator of the division of motor vehicles to accept service on its~~
26 ~~behalf of notice or process in any action upon the policy or bond arising out of the accident.~~

27 ~~(c) The division of motor vehicles may rely upon the accuracy of the information in a~~
28 ~~required report of an accident as to the existence of insurance or a bond unless and until the division~~
29 ~~of motor vehicles has reason to believe that the information is erroneous.~~

30 **31-31-8. Form and amount of security.**

31 ~~(a) The security required under this chapter may consist of an insurance company policy~~
32 ~~or bond, cash, a savings bank deposit, marketable securities, or a recorded bond with individual~~
33 ~~surety having sufficient equity in real estate within this state scheduled in the bond, and shall be in~~
34 ~~a form and in an amount that the division of motor vehicles may require, but in no case in excess~~

1 of the limits specified in § 31-31-7 in reference to the acceptable limits of a policy or bond.

2 (b) ~~Every depositor of security shall designate in writing every person in whose behalf the~~
3 ~~deposit is made, and may at any time change the designation, but any single deposit of security~~
4 ~~shall be applicable only on behalf of persons required to furnish security because of the accident.~~

5 **31-31-9. Failure to deposit security -- Suspensions.**

6 (a) ~~In the event that any person required to deposit security under this chapter fails to~~
7 ~~deposit the security within ten (10) days after the division of motor vehicles has sent the notice as~~
8 ~~provided in this chapter, the division of motor vehicles shall suspend:~~

9 (1) ~~The license of each driver in any manner involved in the accident;~~

10 (2) ~~The registrations of all vehicles owned by the owner of each vehicle of a type subject~~
11 ~~to registration under the laws of this state involved in the accident;~~

12 (3) ~~If the driver is a nonresident, the privilege of operating within this state a vehicle of a~~
13 ~~type subject to registration under the laws of this state;~~

14 (4) ~~If the owner is a nonresident, the privilege of the owner to operate or permit the~~
15 ~~operation within this state of a vehicle of a type subject to registration under the laws of this state.~~

16 (b) ~~The suspensions shall be made in respect to persons required by the division of motor~~
17 ~~vehicles to deposit the security who fail to deposit the security, except as otherwise provided under~~
18 ~~succeeding sections of this chapter.~~

19 **31-31-10. Relief from security requirements.**

20 (a) ~~A person shall be relieved from the requirement for deposit of security for the benefit~~
21 ~~or protection of another person injured or damaged in the accident in the event he or she is released~~
22 ~~from liability by the other person.~~

23 (b) ~~A covenant not to sue shall relieve the parties to it as to each other from the security~~
24 ~~requirements of this chapter.~~

25 (c) ~~In the event the division of motor vehicles has evaluated the injuries or damage to any~~
26 ~~minor in an amount not more than two hundred dollars (\$200) the division of motor vehicles may~~
27 ~~accept, for the purpose of this chapter only, evidence of a release from liability executed by a natural~~
28 ~~guardian or a legal guardian on behalf on the minor without the approval of any court or judge.~~

29 (d) ~~The division of motor vehicles may accept evidence of a payment to an operator or to~~
30 ~~the owner of a vehicle involved in an accident by the insurance carrier of any other person involved~~
31 ~~in the accident on account of damage to property or to bodily injury, as effective to relieve the~~
32 ~~operator or owner from the security and suspension provisions of this chapter in respect to any~~
33 ~~claim for property damage or bodily injury arising out of the accident by the person on whose~~
34 ~~behalf the payment has been made. A payment to the insurance carrier of an operator or owner~~

1 ~~under its right of subrogation shall be the equivalent of a payment to the operator or owner.~~

2 **31-31-11. Adjudication of nonliability.**

3 ~~A person shall be relieved from the requirement for the deposit of security in respect to a~~
4 ~~claim for injury or damage arising out of the accident in the event the person has been finally~~
5 ~~adjudicated not to be liable in respect to the claim.~~

6 **31-31-12. Agreements for payment of damages.**

7 ~~(a) Any two (2) or more of the persons involved in or affected by an accident as described~~
8 ~~in § 31-31-4 may at any time enter into a written agreement for the payment of an agreed amount~~
9 ~~with respect to all claims of the persons because of bodily injury to or death or property damage~~
10 ~~arising from the accident. This agreement may provide for payment in installments, and may file a~~
11 ~~signed copy of it with the division of motor vehicles.~~

12 ~~(b) The division of motor vehicles, to the extent provided by the written agreement filed~~
13 ~~with it, shall not require the deposit of security and shall terminate any prior order of suspension.~~
14 ~~If security has previously been deposited, the division of motor vehicles shall immediately return~~
15 ~~the security to the depositor or the depositor's personal representative.~~

16 ~~(c) In the event of a default in any payment under the agreement and upon notice of the~~
17 ~~default, the division of motor vehicles shall take action suspending the license or registration of the~~
18 ~~person in default as would be appropriate in the event of failure of the person to deposit security~~
19 ~~when required under this chapter.~~

20 ~~(d) The suspension shall remain in effect and the license or registration shall not be restored~~
21 ~~unless and until:~~

22 ~~(1) Security is deposited as required under this chapter in the amount that the division of~~
23 ~~motor vehicles may then determine, or~~

24 ~~(2) When, following the default and suspension, the person in default has paid the balance~~
25 ~~of the agreed amount, or~~

26 ~~(3) Three (3) years have elapsed following the date of the accident and/or occurrence, and~~
27 ~~evidence satisfactory to the division of motor vehicles has been filed with it that during the period~~
28 ~~no action at law upon the agreement has been instituted and is pending.~~

29 **31-31-13. Release upon payment of judgment.**

30 ~~The payment of a judgment arising out of an accident or the payment upon the judgment~~
31 ~~of an amount equal to the maximum amount which could be required for deposit under this chapter~~
32 ~~shall, for the purposes of this chapter, release the judgment debtor from the liability evidenced by~~
33 ~~the judgment.~~

34 **31-31-14. Termination of security requirement.**

1 ~~The division of motor vehicles, if satisfied as to the existence of any fact which under §§~~
2 ~~31-31-10, 31-31-11, 31-31-12, or 31-31-13 would entitle a person to be relieved from the security~~
3 ~~requirements of this chapter, shall not require the deposit of security by the person so relieved from~~
4 ~~the requirement and shall terminate any prior order of suspension in respect to the person. If security~~
5 ~~has previously been deposited by the person, the division of motor vehicles shall immediately return~~
6 ~~the deposit to the person or to his or her personal representative.~~

7 ~~**31-31-15. Duration of suspension.**~~

8 ~~Unless a suspension is terminated under other provisions of this chapter, any order or~~
9 ~~suspension by the division of motor vehicles under this chapter shall remain in effect and no license~~
10 ~~shall be renewed for or issued to any person whose vehicle registration is suspended until:~~

11 ~~(1) The person shall deposit or there shall be deposited on his or her behalf the security~~
12 ~~required under this chapter;~~

13 ~~(2) Three (3) years shall have elapsed following the date of the accident and/or occurrence,~~
14 ~~and evidence satisfactory to the division of motor vehicles has been filed with it that during the~~
15 ~~period no action for damages arising out of the accident resulting in the suspension has been~~
16 ~~instituted; or~~

17 ~~(3) Eight (8) years have elapsed following the date from which an action at law has been~~
18 ~~filed in any court in this state, provided there does not exist any unpaid judgment.~~

19 ~~**31-31-16. Drivers not licensed in state -- Unregistered vehicles -- Out of state**~~
20 ~~**accidents.**~~

21 ~~(a) In case the driver or the owner of a vehicle of a type subject to registration under the~~
22 ~~laws of this state involved in an accident within this state has no license or registration in this state,~~
23 ~~then the driver shall not be allowed a license, nor shall the owner be allowed to register any vehicle~~
24 ~~in this state, until the owner has complied with the requirements of this chapter to the same extent~~
25 ~~that would be necessary if, at the time of the accident, he or she had held a license or been the~~
26 ~~owner of a vehicle registered in this state.~~

27 ~~(b) When a nonresident's operating privilege is suspended pursuant to § 31-31-9, the~~
28 ~~division of motor vehicles shall transmit a certified copy of the record of the action to the official~~
29 ~~in charge of the issuance of licenses and registration certificates in the state in which the nonresident~~
30 ~~resides, if the law of the other state provides for action similar to that provided for in subsection (c)~~
31 ~~of this section.~~

32 ~~(c) Upon receipt of certification that the operating privilege of a resident of this state has~~
33 ~~been suspended or revoked in any other state pursuant to a law providing for its suspension or~~
34 ~~revocation for failure to deposit security for the payment of judgments arising out of a motor vehicle~~

1 ~~accident, under circumstances which would require the division of motor vehicles to suspend a~~
2 ~~nonresident's operating privilege had the accident occurred in this state, the division of motor~~
3 ~~vehicles shall suspend the license of the resident if he or she was the driver, and all of the resident's~~
4 ~~registrations if he or she was the owner of a motor vehicle involved in the accident. The suspension~~
5 ~~shall continue until the resident furnishes evidence of his or her compliance with the law of the~~
6 ~~other state relating to the deposit of the security.~~

7 ~~**31-31-17. Decrease in amount of security.**~~

8 ~~The division of motor vehicles may reduce the amount of security ordered in any case~~
9 ~~within six (6) months after the date of the accident if in its judgment the amount ordered is~~
10 ~~excessive. In case the security originally ordered has been deposited, the excess deposit over the~~
11 ~~reduced amount ordered shall be immediately returned to the depositor or the depositor's personal~~
12 ~~representative.~~

13 ~~**31-31-18. Correction of action taken on erroneous information.**~~

14 ~~Whenever the division of motor vehicles has taken any action or has failed to take any~~
15 ~~action under this chapter by reason of having received erroneous information or by reason of having~~
16 ~~received no information, then upon receiving correct information within one year after the date of~~
17 ~~an accident, the division of motor vehicles shall take appropriate action to carry out the purposes~~
18 ~~and effect of this chapter. This provision shall not, however, be deemed to require the division of~~
19 ~~motor vehicles to reevaluate the amount of any deposit required under this chapter.~~

20 ~~**31-31-19. Custody of security.**~~

21 ~~The division of motor vehicles shall place any cash deposited with it under this chapter in~~
22 ~~the custody of the general treasurer. Other securities shall be kept in the custody of the administrator~~
23 ~~of the division of motor vehicles or his or her designee in a manner satisfactory to the general~~
24 ~~treasurer.~~

25 ~~**31-31-20. Application of security.**~~

26 ~~(a) The security shall be applicable and available only:~~

27 ~~(1) For the payment of any settlement agreement covering any claim arising out of the~~
28 ~~accident upon instruction of the person who made the deposit, or~~

29 ~~(2) For the payment of a judgment or judgments, rendered against the person required to~~
30 ~~make the deposit, for damages arising out of the accident in an action at law begun not later than~~
31 ~~three (3) years after the date of an accident and/or occurrence.~~

32 ~~(b) Every distribution of funds from the security deposits shall be subject to the limits of~~
33 ~~the division's evaluation on behalf of a claimant.~~

34 ~~**31-31-21. Return of deposit.**~~

1 ~~Upon the expiration of three (3) years from the date of an accident or occurrence, any~~
2 ~~security remaining on deposit shall be returned to the person who made the deposit or to his or her~~
3 ~~personal representative if an affidavit or other evidence satisfactory to the division of motor~~
4 ~~vehicles has been filed with it:~~

5 ~~(1) That no action for damages arising out of the accident for which the deposit was made~~
6 ~~is pending against any person on whose behalf the deposit was made; and~~

7 ~~(2) That there does not exist any unpaid judgment rendered against the person in the action:~~

8 ~~or~~

9 ~~(3) That eight (8) years have elapsed following the date from which an action at law has~~
10 ~~been filed in any court in this state and there does not exist any unpaid judgment.~~

11 SECTION 2. Sections 31-47-8, 31-47-8.1 and 31-47-10 of the General Laws in Chapter
12 31-47 entitled "Motor Vehicle Reparations Act" are hereby repealed.

13 ~~**31-47-8. Revocation of registrations -- Drivers' licenses and nonresident privileges.**~~

14 ~~(a)(1) The administrator of the division of motor vehicles, upon receipt of evidence as~~
15 ~~provided for in § 31-47-17, that financial security for any motor vehicle registered in this state is~~
16 ~~no longer in effect, may within seven (7) days revoke the registration of the vehicle.~~

17 ~~(2) The motor vehicle shall not be registered or reregistered in the name of the person, or~~
18 ~~in any other name where the administrator of the division of motor vehicles has reasonable grounds~~
19 ~~to believe that the registration or re-registration will have the effect of defeating the purposes of~~
20 ~~this chapter, and no other motor vehicle shall be registered in the name of the person for a period~~
21 ~~of thirty (30) days from the date of the revocation.~~

22 ~~(b)(1) The administrator of the division of motor vehicles, upon receipt of evidence that~~
23 ~~the owner of a motor vehicle registered in this state has operated or permitted a motor vehicle to be~~
24 ~~operated upon the public highways of this or any other state while financial security was not in~~
25 ~~effect with respect to the vehicle, may revoke the registration of the vehicle and the driver's license,~~
26 ~~if any, of the owner.~~

27 ~~(2) The motor vehicle shall not be registered in the name of the person or in any other name~~
28 ~~where the administrator of the division of motor vehicles has reasonable grounds to believe that the~~
29 ~~registration will have the effect of defeating the purpose of this chapter, and no other motor vehicle~~
30 ~~shall be registered in the name of the person, nor any driver's license issued to the person, for a~~
31 ~~period of three (3) months from the date of the revocation.~~

32 ~~(c)(1) The administrator of the division of motor vehicles, upon receipt of evidence that a~~
33 ~~person, other than the owner, has operated upon the public highways of this state a motor vehicle~~
34 ~~registered in this state with knowledge that financial security was not in effect with respect to the~~

1 ~~vehicle, may revoke the driver's license of the person, or if he or she is a nonresident, the~~
2 ~~nonresident driving privileges of the person.~~

3 ~~(2) No new driver's license may be issued, or nonresident driving privilege restored to the~~
4 ~~person for a period of one to three (3) months from the date of the revocation.~~

5 ~~(3) This subsection shall not apply to any person who at the time of operation of the motor~~
6 ~~vehicle, had in effect an operator's policy of liability insurance with respect to his or her operation~~
7 ~~of the vehicle.~~

8 ~~(d)(1) The administrator of the division of motor vehicles, upon receipt of evidence that~~
9 ~~the owner of a motor vehicle not registered in this state has operated or permitted a motor vehicle~~
10 ~~to be operated upon the public highways of this state while financial security was not in effect with~~
11 ~~respect to the vehicle, may revoke the person's privilege to operate any motor vehicle in this state~~
12 ~~and the privilege of the operation within this state of any motor vehicle owned by him or her.~~

13 ~~(2) The nonresident privilege may not be restored for a period of one to three (3) months~~
14 ~~from the date of the revocation.~~

15 ~~(e)(1) The administrator of the division of motor vehicles, upon receipt of evidence that a~~
16 ~~nonresident, other than the owner of the vehicle, has operated upon the public highways of this~~
17 ~~state a motor vehicle not registered in this state, with knowledge that financial security was not in~~
18 ~~effect with respect to the vehicle, may revoke the nonresident's privilege to operate any motor~~
19 ~~vehicle in this state.~~

20 ~~(2) The nonresident privilege may not be restored for a period of one to three (3) months~~
21 ~~from the date of the revocation.~~

22 ~~(3) This subsection shall not apply to any person who at the time of operation of the motor~~
23 ~~vehicle had in effect an operator's policy of liability insurance with respect to his or her operation~~
24 ~~of the motor vehicle.~~

25 ~~(f) Notice of revocation pursuant to this section may be given to the owner of a vehicle~~
26 ~~registered in this state or to a driver licensed in this state, by mailing the notice to the owner or~~
27 ~~licensee at the address contained in the certificate of registration for the vehicle owned by the person~~
28 ~~or to the address contained in his or her driving license. The suspension shall be effective upon~~
29 ~~receipt of notice and the one to three (3) month period of suspension shall commence upon receipt~~
30 ~~of the license, registration, and registration plates by the division.~~

31 ~~(g) Failure of the owner or licensee to deliver a certificate of registration, number plates,~~
32 ~~or driver's license to the administrator of the division of motor vehicles after revocation of it or as~~
33 ~~otherwise provided in this chapter, may cause the suspension to be continued for an additional~~
34 ~~period equal to the number of days between the suspension date and the actual date of compliance.~~

1 ~~(h) An operator's policy of liability insurance, as used in this section, shall mean a policy~~
2 ~~issued by an insurance carrier duly authorized to transact business in this state which shall insure~~
3 ~~the person named in it as insured, against loss from the liability imposed upon him or her by law~~
4 ~~for damages, including damages for care and loss of services, because of bodily injury to or death~~
5 ~~of any person and injury to or destruction of property arising out of the use by him or her, of any~~
6 ~~motor vehicle not owned by him or her, subject to the same minimum provisions and approval~~
7 ~~required by this chapter, with respect to an owner's policy of liability insurance. With respect to a~~
8 ~~nonresident the policy may also be issued by a nonadmitted insurance carrier provided the~~
9 ~~requirements of this chapter, with respect to issuance of an owner's policy of liability insurance by~~
10 ~~the carrier, have been met.~~

11 ~~(i)(1) If a motor vehicle has been involved in an accident, and its registration or the driver's~~
12 ~~license of its operator, or both, have been revoked pursuant to this section, then neither that vehicle~~
13 ~~nor any other motor vehicle shall be registered or reregistered in the name of its owner or of any~~
14 ~~other person legally responsible for its use, nor shall any driver's license be issued to the owner,~~
15 ~~person, or operator until three (3) months have passed since the date of the revocation and, as the~~
16 ~~case may be, the administrator of the division of motor vehicles has received the evidence required~~
17 ~~by subdivision (3) of this subsection.~~

18 ~~(2) If a motor vehicle not registered in this state is involved in any accident in this state and~~
19 ~~the privilege of its operation within the state has been revoked, then neither its owner, any person~~
20 ~~legally responsible for its use, nor its operator, shall exercise the privilege of the operation within~~
21 ~~this state of any motor vehicle until three (3) months have passed since the date of the revocation~~
22 ~~and, as the case may be, the administrator of the division of motor vehicles has received the~~
23 ~~evidence as required in subdivision (3) of this subsection.~~

24 ~~(3) The evidence referred to in subsections (a) and (b) of this section shall be evidence~~
25 ~~satisfactory to the administrator of the division of motor vehicles:~~

26 ~~(i) That no cause of action based upon the accident against the owner, person legally~~
27 ~~responsible, or operator has been commenced within a period of one year from the date of the~~
28 ~~accident or a release has been given to the owner, person, or operator; or~~

29 ~~(ii) That no judgment arising out of the cause of action for amounts within the limits stated~~
30 ~~in § 31-47-2(13)(i)(A) against the owner, person, or operator remains unsatisfied.~~

31 ~~**31-47-8.1. Verification of proof of financial security.**~~

32 ~~(a) The administrator of the division of motor vehicles shall select random samples of~~
33 ~~registrations of motor vehicles subject to this chapter, or owners of them, for the purpose of~~
34 ~~verifying whether or not the motor vehicles have proof of financial security as defined in this~~

1 ~~chapter. The administrator of the division of motor vehicles shall verify proof of financial security~~
2 ~~by sending requests for verification to the owner and/or insurer of the randomly selected motor~~
3 ~~vehicles.~~

4 ~~(b) In addition to general random samples of motor vehicle registrations, the administrator~~
5 ~~of the division of motor vehicles shall select for verification other random samples, including, but~~
6 ~~not limited to, registrations of motor vehicles owned by persons:~~

7 ~~(1) Whose motor vehicle registrations during the preceding four (4) years have been~~
8 ~~suspended pursuant to the provisions of this chapter;~~

9 ~~(2) Who during the preceding four (4) years have been convicted of violating the provisions~~
10 ~~of this chapter while operating vehicles owned by other persons;~~

11 ~~(3) Whose driving privileges have been suspended during the preceding four (4) years; or~~

12 ~~(4) Who during the preceding four (4) years acquired ownership of motor vehicles while~~
13 ~~the registrations of those vehicles under the previous owners were suspended pursuant to the~~
14 ~~provisions of this chapter.~~

15 ~~(c) Upon receiving certification from the department of revenue under § 31-26-6 of the~~
16 ~~name of an owner or operator of any motor vehicle involved in an accident, the administrator of~~
17 ~~the division of motor vehicles shall verify whether or not at the time of the accident the motor~~
18 ~~vehicle was covered by proof of financial security as defined in this chapter.~~

19 ~~(d) The administrator of the division of motor vehicles shall send to owners of randomly~~
20 ~~selected motor vehicles, or to randomly selected motor vehicle owners, requests for information~~
21 ~~about their motor vehicles and proof of financial security. The request shall require the owner to~~
22 ~~state whether or not the motor vehicle had proof of financial security on the verification date stated~~
23 ~~in the administrator's request and the request may require, but is not limited to, a statement by the~~
24 ~~owner of the names and addresses of insurers, policy numbers, and expiration dates of insurance~~
25 ~~coverage or similar information as to other types of proof of financial security.~~

26 ~~(1) Within twenty (20) days after the administrator of the division of motor vehicles mails~~
27 ~~a request, the owner to whom it is sent shall furnish the requested information to the administrator~~
28 ~~of the division of motor vehicles above the owner's signed affirmation that the information is true~~
29 ~~and correct. Proof of financial security in effect on the verification date, as prescribed by the~~
30 ~~administrator of the division of motor vehicles, may be considered by the administrator of the~~
31 ~~division of motor vehicles to be a satisfactory response to the request for information.~~

32 ~~(2) If the owner responds to the request for information by asserting that the motor vehicle~~
33 ~~was covered by proof of financial security on the verification date stated in the administrator's~~
34 ~~request, the administrator of the division of motor vehicles may conduct a verification of the~~

1 ~~response by furnishing necessary information to any insurer named in the response. The insurer~~
2 ~~shall within twenty (20) days inform the assistant director if an individual did not have in force~~
3 ~~motor vehicle insurance in accordance with the provisions of this chapter.~~

4 ~~If the administrator of the division of motor vehicles determines that an owner has~~
5 ~~registered or maintained the registration of a motor vehicle without proof of financial security as~~
6 ~~required by this chapter, the administrator of the division of motor vehicles shall notify the owner~~
7 ~~and the owner shall be deemed to have registered or maintained registration of a motor vehicle in~~
8 ~~violation of this chapter unless the owner within twenty (20) days furnishes proof of financial~~
9 ~~security in effect on the verification date as prescribed by the administrator of the division of motor~~
10 ~~vehicles.~~

11 ~~(e) The administrator of the division of motor vehicles may send to insurers of randomly~~
12 ~~selected motor vehicles requests for verification as to whether or not the verification date given for~~
13 ~~that vehicle is true and accurate in accordance with the provisions of this chapter.~~

14 ~~(1) The insurer shall within twenty (20) days inform the administrator of the division of~~
15 ~~motor vehicles if an individual did not have in force motor vehicle insurance in accordance with~~
16 ~~the provisions of this chapter.~~

17 ~~(2) If the insurer informs the administrator of the division of motor vehicles that the motor~~
18 ~~vehicle was not insured by the insurer on the verification date stated in accordance with the~~
19 ~~provisions of this chapter, the administrator of the division of motor vehicles shall require the owner~~
20 ~~to show proof of financial security within twenty (20) days of the administrator's request. Any~~
21 ~~owner who fails to respond to that request shall be deemed to have registered or maintained~~
22 ~~registration of a motor vehicle in violation of this chapter.~~

23 ~~(f) The administrator of the division of motor vehicles shall promulgate regulations for the~~
24 ~~procedures for verification of proof of financial security. The administrator of the division of motor~~
25 ~~vehicles shall also promulgate rules and regulations for the method in which the random selection~~
26 ~~shall be conducted.~~

27 ~~(g) No random sample selected under this section shall be categorized on the basis of race,~~
28 ~~color, religion, sex, national origin, ancestry, age, marital status, disability, economic status or~~
29 ~~geography.~~

30 ~~(h) No verification procedure established under this section shall include individual~~
31 ~~inspections of motor vehicles on a highway solely for the purpose of verifying the existence of~~
32 ~~evidence of proof of financial security. The verification procedure shall be based solely upon a~~
33 ~~review of documentary information.~~

34 **31-47-10. Accident reports.**

1 ~~(a) Every party required to file an accident report under § 31-26-6 shall also include with~~
2 ~~the report a document described under § 31-47-12(c). If the administrator of the division of motor~~
3 ~~vehicles determines, within forty five (45) days after the report is filed, that an operator or owner~~
4 ~~has violated § 31-47-9, the administrator of the division of motor vehicles shall, unless an order~~
5 ~~based upon the violation has been entered against the operator or owner under § 31-47-9, do all of~~
6 ~~the following:~~

7 ~~(1) Order the impoundment, with respect to the motor vehicle involved in the accident, of~~
8 ~~the certificate of registration and registration plates of any owner who has violated § 31-47-9.~~

9 ~~(2) Order the suspension of the license of any operator or owner who has violated § 31-47-~~
10 ~~9.~~

11 ~~(3) Record the name and address of the person whose certificate of registration and~~
12 ~~registration plates have been impounded or are under an order of impoundment, or whose license~~
13 ~~has been suspended or is under an order of suspension; the serial number of his or her license; the~~
14 ~~serial numbers of his or her certificate of registration and registration plates. The information shall~~
15 ~~be recorded in a manner that it becomes a part of the person's permanent record, and assists the~~
16 ~~administrator of the division of motor vehicles in monitoring compliance with the orders of~~
17 ~~suspension or impoundment.~~

18 ~~(4) Send written notification by certified mail to every person to whom the order pertains,~~
19 ~~at the person's last known address as shown on the records of the division of motor vehicles. The~~
20 ~~person shall, within ten (10) days after the date of the mailing of the notification, surrender to the~~
21 ~~administrator of the division of motor vehicles any certificate of registration and registration plates~~
22 ~~under the order of impoundment, or any license under the order of suspension.~~

23 ~~(b) The administrator shall issue any order under this section without a hearing. Any person~~
24 ~~adversely affected by the order may, within ten (10) days after the issuance of the order, request an~~
25 ~~administrative hearing before the administrator of the division of motor vehicles who shall provide~~
26 ~~the person with an opportunity for a hearing in accordance with this paragraph. A request for a~~
27 ~~hearing does not operate as a stay of the order. The hearing shall afford the person an opportunity~~
28 ~~to respond to the allegation that he or she knowingly operated or permitted to be operated a motor~~
29 ~~vehicle without the financial security required by law. The administrator shall determine the date,~~
30 ~~time, and place of any hearing, provided that the hearing shall be held, and an order issued or~~
31 ~~findings made, within thirty (30) days after the administrator of the division of motor vehicles~~
32 ~~receives a request for a hearing. The person shall pay the cost of the hearing before the administrator~~
33 ~~of the division of motor vehicles, if the administrator's order of suspension or impoundment is~~
34 ~~upheld.~~

1 SECTION 3. Section 27-7-2.1 of the General Laws in Chapter 27-7 entitled "Liability
2 Insurance" is hereby amended to read as follows:

3 **27-7-2.1. Uninsured motorist coverage.**

4 (a) No policy insuring against loss resulting from liability imposed by law for property
5 damage caused by collision, bodily injury, or death suffered by any person arising out of the
6 ownership, maintenance, or use of a motor vehicle shall be delivered or issued for delivery in this
7 state with respect to any motor vehicle registered or principally garaged in this state unless coverage
8 is provided in or supplemental to the policy, for bodily injury or death in limits set forth in each
9 policy, but in no instance less than the limits set forth in ~~§ 31-31-7~~ [§ 31-47-2\(13\)\(i\)\(A\)](#) under
10 provisions approved by the insurance commissioner, for the protection of persons insured under
11 the policy who are legally entitled to recover damages from owners or operators of uninsured motor
12 vehicles and hit-and-run motor vehicles because of property damage, bodily injury, sickness, or
13 disease, including death, resulting from that injury, sickness or disease. The insurer shall provide
14 uninsured motorist coverage in an amount equal to the insured's bodily injury liability limits. The
15 named insured shall have the option of selecting a limit in writing less than the bodily injury liability
16 coverage, but in no event less than the limits set forth in ~~§ 31-31-7~~ [§ 31-47-2\(13\)\(i\)\(A\)](#), unless the
17 named insured is purchasing only the minimum coverage required by compulsory insurance
18 provisions of the general laws, in which case the limit can be reduced to zero, but only after signing
19 an advisory notice approved by the director of business regulation concerning the hazard of
20 uninsured and underinsured motorists. That coverage shall also apply in the case of a responsible
21 party whose liability insurance carrier was insolvent at the time of the accident or became insolvent
22 subsequent to the accident.

23 (b) Notwithstanding the provisions of subsection (a), the named insured shall have the
24 option to reject, in writing, uninsured motorist coverage for loss resulting from damage to property.
25 If the named insured has collision coverage for property damage to his or her vehicle, then no
26 coverage for uninsured motorist property damage shall be required unless the insured at his or her
27 option chooses to purchase that coverage.

28 (c) For the purposes of this section:

29 (1) "Policy insuring against loss" means a policy which provides primary coverage for the
30 insured motor vehicle; and

31 (2) "Property damage" means injury to or destruction of the insured vehicle, including its
32 loss of use and any property, excluding business property, owned by the insured while contained
33 in the insured vehicle.

34 (d) After the selection of limits by the named insured or the exercise of the right to reject

1 that portion of the coverage which applies to property damage, the insurer or any affiliated insurer
2 shall be required to notify the policyholder, in any renewal, reinstatement, substitute, amended,
3 altered, modified, transfer, or replacement policy, as to the availability of that coverage or optional
4 limits. The insured may, subject to the limitations expressed in this chapter, make a written request
5 for higher limits, newly added coverage, or coverage more extensive than that provided on a prior
6 policy.

7 (e) Property damage caused by collision shall be subject to a two hundred dollar (\$200)
8 deductible per claim unless otherwise agreed. Any claim submitted under the property damage
9 portion of this section must include the name, address, and other means of identification to establish
10 that the at-fault operator is without insurance. The rate for this coverage will be established as a
11 percentage of the existing base collision insurance rate as utilized by the majority of companies, to
12 be determined by the insurance commissioner.

13 (f) Whenever, through subrogation, an insurance company or its insurance producer
14 collects a casualty loss from a third party, that company or insurance producer shall, from the funds
15 collected, first pay to the insured the deductible portion of the casualty loss less the prorated share
16 of subrogation expense and only after this retain any funds in excess of the deductible portion of
17 the recovery.

18 (g) For the purposes of this section "uninsured motorist" shall include an underinsured
19 motorist. An "underinsured motorist" is the owner or operator of a motor vehicle who carries
20 automobile liability insurance with coverage in an amount less than the limits or damages that
21 persons insured pursuant to this section are legally entitled to recover because of bodily injury,
22 sickness, or disease, including death, resulting from that injury, sickness or disease.

23 (h) A person entitled to recover damages pursuant to this section shall not be required to
24 make a claim against or bring an action against the uninsured or underinsured tortfeasor as a
25 prerequisite to recover damages from the insurer providing coverage pursuant to this section. In the
26 event that the person entitled to recover against an underinsured motorist recovers from the insurer
27 providing coverage pursuant to this section, that insurer shall be entitled to subrogation rights
28 against the underinsured motorist and his or her insurance carrier. Release of the tortfeasor with the
29 consent of the company providing the underinsured coverage shall not extinguish or bar the claim
30 of the insured against the underinsurance carrier regardless of whether the claim has been
31 liquidated.

32 (i) Whenever an insured has paid two (2) or more separate premiums for uninsured
33 motorists' coverage in a single policy of insurance or under several policies with the same insurance
34 company, the insured shall be permitted to collect up to the aggregate amount of coverage for all

1 of the vehicles insured, regardless of any language in the policy to the contrary.

2 SECTION 4. Section 31-31-22 of the General Laws in Chapter 31-31 entitled "Safety
3 Responsibility Administration - Security Following Accident" is hereby amended to read as
4 follows:

5 **31-31-22. Matters not to be evidenced in civil suits.**

6 The report required following an accident, and the action taken by the division of motor
7 vehicles upon which the action is based, ~~and the security filed as provided in this chapter,~~ shall not
8 be referred to in any way, and shall not be any evidence of the negligence or due care of either
9 party, at the trial of any action at law to recover damages; provided, that the reports, and the division
10 action findings, ~~and the security filed~~ shall be admissible in any civil action based upon the
11 uninsured motorist provision of an automobile insurance policy as evidence in proof of the
12 existence of an uninsured motorist.

13 SECTION 5. Section 31-32-14 of the General Laws in Chapter 31-32 entitled "Proof of
14 Financial Responsibility for the Future" is hereby amended to read as follows:

15 **31-32-14. Duration of suspension for unsatisfied judgment.**

16 ~~(a)~~ The license, registration, and nonresident's operating privilege shall remain so
17 suspended and shall not be renewed, nor shall the license or registration be thereafter issued in the
18 name of the person, including any person not previously licensed, unless and until the judgment is
19 stayed, satisfied in full, or to the extent provided in this chapter, and until the person gives proof of
20 financial responsibility subject to the exemptions stated in §§ 31-32-12, 31-32-13, and 31-32-17.

21 ~~(b) Provided, that if but for the provisions of this chapter relating to the failure to pay~~
22 ~~judgments upon causes of action arising out of the ownership, maintenance, or use of vehicles of a~~
23 ~~type subject to registration under the laws of this state, the license, or registration would have been~~
24 ~~restored under the provisions of § 31-31-15(3), then the suspension of the license or registration~~
25 ~~under the provisions of this chapter shall terminate.~~

26 SECTION 6. Section 31-34-4 of the General Laws in Chapter 31-34 entitled
27 "Responsibility of Owners of Rental Vehicles" is hereby amended to read as follows:

28 **31-34-4. Liability of owner for negligence of operator.**

29 (a) Any owner of a for hire motor vehicle or truck who has given proof of financial
30 responsibility under this chapter or who in violation of this chapter has failed to give proof of
31 financial responsibility, shall be jointly and severally liable with any person operating the vehicle
32 for any damages caused by the negligence of any person operating the vehicle by or with the
33 permission of the owner. Nothing in this section shall be construed to prevent an owner who has
34 furnished proof of financial responsibility or any person operating the vehicle from making defense

1 in an action upon the ground of contributory negligence to the extent to which the defense is
2 allowed in other cases.

3 (b) Notwithstanding the provisions of subsection (a) of this section, or any provisions
4 contained under title 31 to the contrary, the valid and collectable liability insurance or self-
5 insurance providing coverage or liability protection for third party liability claims arising out of the
6 operation of the rental vehicle shall be primary for the lessor or any person operating the motor
7 vehicle, with the express permission of the lessor unless otherwise stated in at least ten (10) point
8 type on the face of the rental agreement. That insurance or self-insurance is primary only up to the
9 limits required under ~~§ 31-31-7~~ [§ 31-47-2\(13\)\(i\)\(A\)](#).

10 (c) "Lessor" includes any entity in the business of renting motor vehicles pursuant to a
11 written rental agreement.

12 SECTION 7. Section 31-47-9 and 31-47-15.1 of the General Laws in Chapter 31-47
13 entitled "Motor Vehicle Reparatons Act" are hereby amended to read as follows:

14 **31-47-9. Penalties.**

15 (a) Any owner of a motor vehicle registered in this state who shall knowingly operate the
16 motor vehicle or knowingly permit it to be operated in this state without having in full force and
17 effect the financial security required by the provisions of this chapter, and any other person who
18 shall operate in this state any motor vehicle registered in this state with the knowledge that the
19 owner of it does not have in full force and effect financial security, except a person who, at the time
20 of operation of the motor vehicle, had in effect an operator's policy of liability insurance, ~~as defined~~
21 ~~in this chapter~~, with respect to his or her operation of the vehicle, may be subject to a mandatory
22 suspension of license and registration as follows:

23 (1) For a first offense, a suspension of up to three (3) months and may be fined one hundred
24 dollars (\$100) up to five hundred dollars (\$500);

25 (2) For a second offense, a suspension of six (6) months; and may be fined five hundred
26 dollars (\$500); and

27 (3) For a third and subsequent offense, a suspension of up to one year. Additionally, any
28 person violating this section a third or subsequent time shall be punished as a civil violation and
29 may be fined one thousand dollars (\$1,000).

30 (b) An order of suspension and impoundment of a license or registration, or both, shall
31 state that date on or before which the person is required to surrender the person's license or
32 certificate of registration and registration plates. The person is deemed to have surrendered the
33 license or certificate of registration and registration plates, in compliance with the order, if the
34 person does either of the following:

1 (1) On or before the date specified in the order, personally delivers the license or certificate
2 of registration and registration plates, or causes the delivery of those items, to the administrator of
3 the division of motor vehicles or court, whichever issued the order;

4 (2) Mails the license or certificate of registration and registration plates to the administrator
5 of the division of motor vehicles, in an envelope or container bearing a postmark showing a date
6 no later than the date specified in the order.

7 (c) The administrator of the division of motor vehicles shall not restore any operating
8 privileges or registration rights suspended under this section or return any license, certificate of
9 registration, or registration plates impounded under this section unless the rights are not subject to
10 suspension or revocation under any other law and unless the person, in addition to complying with
11 all other conditions required by law for reinstatement of operating privileges or registration rights,
12 complies with all of the following:

13 (1) Pays a reinstatement fee of thirty dollars (\$30.00). The reinstatement fee may be
14 increased, upon approval of the administrator of the division of motor vehicles, up to an amount
15 not exceeding fifty dollars (\$50.00).

16 (2) Files and maintains proof of financial security. To facilitate the administration of this
17 chapter the clerk of the courts shall notify the administrator of the division of motor vehicles of all
18 persons against whom judgments have been entered arising out of a motor vehicle collision.

19 (d) For the purpose of this section an "operator's policy of liability insurance" means a
20 policy issued by an insurance carrier duly authorized to transact business in this state which shall
21 insure the person named in it as insured, against loss from the liability imposed upon him or her by
22 law for damages, including damages for care and loss of services, because of bodily injury to or
23 death of any person and injury to or destruction of property arising out of the use by him or her, of
24 any motor vehicle not owned by him or her, subject to the same minimum provisions and approval
25 required by this chapter, with respect to an owner's policy of liability insurance. With respect to a
26 nonresident, the policy may also be issued by a nonadmitted insurance carrier provided the
27 requirements of this chapter, with respect to issuance of an owner's policy of liability insurance by
28 the carrier, have been met.

29 **31-47-15.1. Exception for seasonal vehicles.**

30 (a) Upon receipt of a signed written request for a suspension from the owner of a registered
31 motor vehicle stating that the vehicle will not be operated upon any highway during a period of not
32 less than thirty (30) consecutive days, the insurer of the vehicle shall suspend, to the extent
33 requested by the owner, insurance afforded under the policy providing the security required by this
34 chapter, for the vehicle until notified by the owner that the coverage should be reinstated. During

1 the period of suspension only, the provisions of this chapter shall not apply with respect to the
2 vehicle. If the vehicle is operated upon any highway by or with the permission of the owner during
3 the period of suspension, the provisions of this chapter shall immediately become applicable.

4 (b) As used in this section, the term "highway" includes all roads as defined in § 31-1-23,
5 except a private road or driveway.

6 (c) This section shall not apply to a motor vehicle for which proof of financial responsibility
7 is required under the provisions of ~~§ 31-31-5 or~~ chapter 32 of title 31. This section shall not apply
8 to motorized vehicles used seasonally in the town of New Shoreham commonly referred to as
9 mopeds.

10 SECTION 8. This act shall take effect upon passage.

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LC001023
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- SAFETY RESPONSIBILITY
ADMINISTRATION -- SECURITY

1 This act would make changes to the motor vehicles laws by repealing the sections that
2 require the filing of security or bond with the DMV following a motor vehicle accident in which
3 the operator of the vehicle does not have insurance.

4 This act would take effect upon passage.

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