

# HOUSE BILL No. 1320

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 9-18-2-11.5; IC 9-25-5.5; IC 27-2-21.

**Synopsis:** Notice of motor vehicle insurance cancellation. Requires an insurer to notify the bureau of motor vehicles (BMV) of the cancellation of a motor vehicle insurance policy. Requires the BMV to revoke the operator's license of a person who fails to inform the BMV of how the person will maintain financial responsibility on a vehicle after cancelling a policy.

**Effective:** July 1, 2003; January 1, 2004.

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January 13, 2003, read first time and referred to Committee on Roads and Transportation.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

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# HOUSE BILL No. 1320



A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 9-18-2-11.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2003]: **Sec. 11.5. Beginning January 1, 2004, a registration  
4 application form prescribed by the bureau under this chapter must  
5 include the following:**

6 (1) **A statement or a substantial equivalent as follows:**  
7 **"Indiana law requires your insurer to report to the Bureau of  
8 Motor Vehicles if your vehicle's insurance policy is canceled  
9 before the expiration date of the policy."**

10 (2) **A box next to the statement described in subdivision (1)  
11 that the applicant must check before the bureau accepts the  
12 applicant's vehicle registration application.**

13 SECTION 2. IC 9-25-5.5 IS ADDED TO THE INDIANA CODE  
14 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
15 JANUARY 1, 2004]:

16 **Chapter 5.5. Insurance Cancellation Notice**  
17 **Sec. 1. (a) Not more than ten (10) days after it receives a notice**



1 of cancellation of a motor vehicle insurance policy under  
 2 IC 27-2-21, the bureau shall send a written notice to each person  
 3 identified in the notice of cancellation as a policyholder of the  
 4 canceled policy. A notice required by this subsection shall be sent  
 5 by first class mail or by a means that transmits the notice to the  
 6 former policyholder at least as quickly as first class mail.

7 (b) The notice provided by the bureau under this section must  
 8 include the following statement or its substantial equivalent:

9 "Indiana law requires you to continuously maintain financial  
 10 responsibility with respect to your motor vehicle for as long  
 11 as you operate your motor vehicle on the public highways of  
 12 Indiana. If you rely on this motor vehicle insurance policy to  
 13 satisfy the financial responsibility requirement and you intend  
 14 to continue operating your motor vehicle on the public  
 15 highways of Indiana, you must obtain a new motor vehicle  
 16 insurance policy to satisfy the financial responsibility  
 17 requirement or satisfy the requirement by another means  
 18 allowed by law. Your operator's license will be revoked and  
 19 subject to confiscation if you do not inform the Bureau of  
 20 Motor Vehicles of how you will maintain financial  
 21 responsibility within twenty (20) days after the postmark date  
 22 of this notice."

23 Sec. 2. Not more than twenty (20) days after the postmark date  
 24 of a notice sent by the bureau under section 1 of this chapter, the  
 25 person to whom the notice was sent shall inform the bureau, by  
 26 first class mail, of the means by which the person will satisfy the  
 27 financial responsibility requirements of this article with respect to  
 28 the motor vehicle formerly covered under the canceled motor  
 29 vehicle insurance policy. If the financial responsibility  
 30 requirements will be satisfied through insurance, the person shall  
 31 provide to the bureau a written statement that:

32 (1) sets forth:

33 (A) the:

- 34 (i) name of the manufacturer;
- 35 (ii) name and year of the model; and
- 36 (iii) identification number;

37 of the motor vehicle;

38 (B) the policy number of the new motor vehicle insurance  
 39 policy; and

40 (C) the name and address of the insurer issuing the new  
 41 motor vehicle insurance policy; and

42 (2) is signed by:

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(A) the person obtaining the new motor vehicle insurance policy; and

(B) the insurance producer through whom the new motor vehicle insurance policy is issued.

**Sec. 3.** If a person to whom a notice is provided under section 1 of this chapter does not provide the bureau with the information required under section 2 of this chapter, the bureau shall revoke the person's operator's license.

**Sec. 4.** The bureau shall notify the insurance commissioner appointed under IC 27-1-1-2 of an insurer violation of IC 27-2-21 of which the bureau is aware.

**Sec. 5.** The commission may adopt rules under IC 4-22-2 to administer this chapter.

SECTION 3. IC 27-2-21 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

**Chapter 21. Motor Vehicle Insurance**

**Sec. 1.** As used in this chapter, "motor vehicle insurance" means any of the kinds of insurance described in Class 2(f) of IC 27-1-5-1.

**Sec. 2.** As used in this chapter, "insurer" has the meaning set forth in IC 27-1-2-3.

**Sec. 3. (a)** An insurer that issued a motor vehicle insurance policy shall notify the bureau of motor vehicles of the cancellation of the policy if the policy is canceled before the expiration date of the policy.

**(b)** An insurer shall provide the notice required under subsection (a):

- (1)** not more than ten (10) days after the insurer receives notice of cancellation; or
- (2)** not less than ten (10) days before the insurer cancels the policy.

**(c)** The notice required under this section must be sent by the insurer to the bureau by:

- (1)** first class mail; or
- (2)** a means that transmits the notice to the bureau at least as quickly as first class mail.

**Sec. 4.** The notice required by section 3 of this chapter must include the following:

- (1)** The name and mailing address of the insurer.
- (2)** The effective date of the cancellation.
- (3)** The name and mailing address of each person to whom the policy was issued.

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- 1           **(4) The following information concerning each motor vehicle**
- 2           **covered under the policy:**
- 3           **(A) The name of the manufacturer.**
- 4           **(B) The name and year of the model.**
- 5           **(C) The identification number.**

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