



**WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO**

2009 Wisconsin Act 242
[2009 Senate Bill 486]

**Proof of Financial Responsibility
After Auto Accident: Liability
Release Exception**

CURRENT LAW

Under current law, if a motor vehicle accident results in injury, death, or property damage of \$1,000 or more, the Department of Transportation (DOT) is required to notify the operator and owner of the vehicle involved in the accident that the person must deposit with DOT security for the accident in an amount specified by DOT, which DOT has determined is sufficient to satisfy any judgment for damages resulting from the accident.

Unless an exception applies, if a person fails to timely deposit security after this notice is given, DOT must suspend the person's operating privilege if the person was the vehicle operator and suspend all vehicle registrations of the person if the person was the vehicle owner, and DOT may also order certain vehicles impounded. **Under one exception**, security is not required to be deposited if the person can provide proof of financial responsibility (including that an applicable motor vehicle liability insurance policy or bond was in effect at the time of the accident providing certain minimum amounts of coverage). **Under another exception**, security is not required to be deposited if, prior to suspension of the person's operating privilege or vehicle registration, satisfactory evidence is filed with DOT that the person has been released from liability, has been adjudicated as not liable, or has executed an agreement to pay an agreed amount of damages to settle all claims.

DOT may accept a liability release executed by a parent as natural guardian on behalf of a minor child only if the total damages do not exceed \$5,000 and a doctor certifies that the minor received no permanent injury.

2009 WISCONSIN ACT 242

2009 Wisconsin Act 242 provides that DOT may, **without limitation**, accept a liability release executed by a parent as natural guardian or by a guardian ad litem on behalf of a minor child.

Effective date: 2009 Wisconsin Act 242 takes effect on May 20, 2010.

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This memo provides a brief description of the Act. For more detailed information,
consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.