



2017 SENATE BILL 39

February 15, 2017 - Introduced by Senators OLSEN, KAPENGA and MOULTON, cosponsored by Representatives KULP, BALLWEG, BERNIER, FIELDS, JACQUE, KESSLER, KREMER, QUINN, RIPP, SINICKI, STEFFEN and TITTL. Referred to Committee on Insurance, Housing and Trade.

1 **AN ACT** *to renumber and amend* 344.16 (1); *to amend* 344.14 (2) (d) and 344.16
2 (2); and *to create* 344.16 (1) (a) and (b), 344.16 (2m) and 344.63 (1) (cm) of the
3 statutes; **relating to:** self-insurance by religious sects for purposes of motor
4 vehicle financial responsibility and liability insurance requirements.

Analysis by the Legislative Reference Bureau

Under this bill, the Department of Transportation may issue a certificate of self-insurance to a religious sect that meets specified requirements.

Under current law, subject to certain exceptions, a person may not operate a motor vehicle in this state unless the owner or operator of the vehicle has in effect a motor vehicle liability insurance policy for the vehicle providing coverage in specified minimum liability limits. However, there is an exception for a motor vehicle owned by a self-insurer possessing a certificate of self-insurance issued by DOT.

Also under current law, if a motor vehicle accident results in injury, death, or property damage of \$1,000 or more, DOT is required to notify the operator and the owner of the vehicle that the person must deposit with DOT security for the accident in an amount sufficient to satisfy any resulting judgment for damages. If DOT receives a copy of a judgment for damages of \$500 or more arising out of a motor vehicle accident, the person against whom the judgment was rendered is required to provide proof of financial responsibility. In both situations, proof of financial responsibility includes coverage under a motor vehicle liability insurance policy with specified minimum liability limits. In lieu of a motor vehicle liability insurance

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policy, a person may show that the person is a self-insurer possessing a certificate of self-insurance issued by DOT.

Under this bill, upon application, DOT may issue a certificate of self-insurance to a religious sect the members of which have a history of mutual financial assistance and have collectively registered with DOT more than 25 vehicles. If DOT issues a certificate of self-insurance to a religious sect, the certificate of self-insurance may be used in lieu of motor vehicle liability insurance by members of the religious sect to satisfy proof of financial responsibility and mandatory motor vehicle liability insurance requirements.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 344.14 (2) (d) of the statutes is amended to read:

2 344.14 (2) (d) To any person qualifying as a self-insurer under s. 344.16 or to
3 any person operating a vehicle for such self-insurer or to any member of a religious
4 sect issued a certificate of self-insurance under s. 344.16.

5 **SECTION 2.** 344.16 (1) of the statutes is renumbered 344.16 (1) (intro.) and
6 amended to read:

7 344.16 (1) (intro.) Any person in whose name more than 25 motor vehicles are
8 registered of the following may qualify as a self-insurer by obtaining a certificate of
9 self-insurance issued by the secretary as provided in sub. (2);

10 **SECTION 3.** 344.16 (1) (a) and (b) of the statutes are created to read:

11 344.16 (1) (a) A person in whose name more than 25 motor vehicles are
12 registered.

13 (b) Subject to sub. (2m), a religious sect the members of which have collectively
14 registered with the department more than 25 motor vehicles.

15 **SECTION 4.** 344.16 (2) of the statutes is amended to read:

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1 344.16 (2) The Subject to sub. (2m), the secretary may, upon the application of
 2 such a person or religious sect, issue a certificate of self-insurance when satisfied
 3 that such person or religious sect is possessed and will continue to be possessed of
 4 ability to pay judgments obtained against such person or religious sect.

5 **SECTION 5.** 344.16 (2m) of the statutes is created to read:

6 344.16 (2m) The secretary may issue a certificate of self-insurance under sub.
 7 (2) to a religious sect if all of the following apply:

8 (a) The secretary determines that the members of the religious sect have a
 9 history of not less than 25 years of mutual financial assistance in time of need to the
 10 extent that they share in financial obligations of other members who would
 11 otherwise be unable to meet their obligations.

12 (b) The department receives an application for a certificate of self-insurance
 13 from the religious sect within one year after the effective date of this paragraph
 14 [LRB inserts date].

15 **SECTION 6.** 344.63 (1) (cm) of the statutes is created to read:

16 344.63 (1) (cm) The motor vehicle is owned by a member of a religious sect that
 17 is a self-insurer holding a valid certificate of self-insurance under s. 344.16, the
 18 self-insurer has made an agreement described in s. 344.30 (4), and the vehicle is
 19 being operated with the owner's permission.

20 **SECTION 7. Effective date.**

21 (1) This act takes effect on the first day of the 3rd month beginning after
 22 publication.

23

(END)