

2015 DRAFTING REQUEST

Bill

Received: 1/5/2016 Received By: zwyatt
For: Luther Olsen (608) 266-0751 Same as LRB: -1804
May Contact: By/Representing: Jenna
Subject: Transportation - motor vehicles Drafter: zwyatt
Transportation - traffic laws Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Sen.Olsen@legis.wisconsin.gov
Carbon copy (CC) to: zachary.wyatt@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Self-insurance by religious sects for purposes of motor vehicle insurance

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	zwyatt 1/5/2016	wjackson 1/6/2016	_____	lparisi 1/6/2016	sbasford 1/6/2016	State

FE Sent For:

→ At Intro.

<END>

Wyatt, Zachary

From: Zantow, Jenna
Sent: Tuesday, January 05, 2016 9:51 AM
To: Wyatt, Zachary
Cc: Rep.Kulp
Subject: FW: Rep. Kulp: Self-Insurance for Religious Sects
Attachments: 15-1804_1.pdf

Importance: High

Hi Zach—

Senator Olsen would like to request the Senate Companion bill to LRB 1804. Let me know if you have any questions!

Thanks,

Jenna Zantow

Policy Advisor | Committee Clerk
Office of Senator Luther Olsen
608.266.0751

From: Rep.Kulp
Sent: Tuesday, November 10, 2015 2:55 PM
To: Sen.Olsen <Sen.Olsen@legis.wisconsin.gov>
Subject: Rep. Kulp: Self-Insurance for Religious Sects

Senator Olsen,

I have written a bill that would allow religious groups such as Mennonites to self-insure for motor vehicle insurance. I would like to request that you be the Senate lead on this bill.

Some religious groups and organizations have found that being required to pay for car insurance from a major provider is against their religious beliefs. In order to satisfy these concerns while still requiring motor insurance for all citizens, this bill would allow religious sects to self-insure. The state of Wisconsin already has a system of self-insurance through the Wisconsin Department of Transportation. To qualify for self-insurance, an applicant needs to fill out the Self-Insurance Certificate Application, own more than 25 motor vehicles and have sufficient assets to pay judgements of motor vehicle accidents. This bill will keep all of these requirements while adding religious groups to the list of those who qualify.

LRB-1804/1 would amend Wis. Stat. 344.16(1) to allow religious sects to self-insure for motor insurance. The proposed legislation DOES NOT impact other self-insurance applicants or those who get motor vehicle insurance from an insurance company. Attached is a copy of the bill and the current self-insurance application used by the Department of Transportation.

Feel free to call me if you have any questions.

Make it a great day!

Bob Kulp
715-615-9300



State of Wisconsin in 1/5/2016
2015 - 2016 LEGISLATURE out 1/6/2016

LRB-1804/1 4257/1
ZDW:wlj

no changes

2015 BILL

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 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 the owner of the vehicle involved in the accident that the person must deposit with DOT security for the accident in an amount determined by DOT to be 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, 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. One of the exceptions is that the person provides proof of financial responsibility. In addition, if DOT receives a certified copy of a judgment for damages of \$500 or more arising out of a motor vehicle accident, DOT must immediately suspend the operating privilege and all registrations of the person against whom the judgment was rendered unless the person can 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 policy, a person can show

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

Also under current law, subject to certain exceptions, a person cannot 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 at least 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.

Under current law, a person who owns a fleet of more than 25 motor vehicles registered in the person's name may qualify as a self-insurer. Upon application, DOT may issue a certificate of self-insurance to the person if DOT is satisfied that the person is possessed, and will continue to be possessed, of ability to pay judgments obtained against the person.

Under this bill, a religious sect the members of which have collectively registered with DOT more than 25 vehicles may qualify as a self-insurer. Upon application, DOT may issue a certificate of self-insurance to a religious sect the members of which have a long-standing history of providing mutual financial assistance in a time of need, if DOT is satisfied that the religious sect is possessed, and will continue to be possessed, of ability to pay judgments obtained against the religious sect. If DOT issues a certificate of self-insurance to a religious sect, the certificate of self-insurance provides the same exception for members of the religious sect that, under current law, applies to a fleet owner: the certificate of self-insurance can be used in lieu of motor vehicle liability insurance 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:

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

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

5 344.16 (1) (a) A person in whose name more than 25 motor vehicles are
6 registered.

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

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

10 344.16 (2) ~~The Subject to sub. (2m), the~~ secretary may, upon the application of
11 such a person or religious sect, issue a certificate of self-insurance when satisfied
12 that such person or religious sect is possessed and will continue to be possessed of
13 ability to pay judgments obtained against such person or religious sect.

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

15 344.16 (2m) The secretary may issue a certificate of self-insurance under sub.
16 (2) to a religious sect only if the secretary determines that the members of the
17 religious sect have a long-standing history of mutual financial assistance in time of
18 need to the extent that they share in financial obligations of other members who
19 would otherwise be unable to meet their obligations.

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

21 344.63 (1) (cm) The motor vehicle is owned by a member of a religious sect that
22 is a self-insurer holding a valid certificate of self-insurance under s. 344.16, the
23 self-insurer has made an agreement described in s. 344.30 (4), and the vehicle is
24 being operated with the owner's permission.

25 **SECTION 7. Effective date.**

Barman, Mike

From: Clark, Lauren
Sent: Wednesday, January 06, 2016 11:49 AM
To: LRB.Legal
Subject: Draft Review: LRB -4257/1

Please Jacket LRB -4257/1 for the SENATE.