

Red Tape Review Rule Report (Due: September 1, 2024)

Department Name:	Department of Transportation	Date:	April 5, 2024	Total Rule Count:	6
IAC #:	761	Chapter/ SubChapter/ Rule(s):	Chapter 641	Iowa Code Section Authorizing Rule:	321.20B
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of this chapter is to establish requirements for financial liability coverage cards to provide uniformity and consistency for cards issued by the multitude of insurers transacting business in Iowa. Without the rules, there would be a lack of consistency of the content of these insurance cards which would negatively impact consumers, law enforcement, and other entities (such as car rental companies) who rely on the readability and understandability of financial liability coverage cards.

Is the benefit being achieved? Please provide evidence.

The Department has determined that the chapter aids the public, law enforcement, insurance companies, and other entities (such as car rental companies) in better understanding the requirements for financial liability coverage cards. The evidence for the benefit of the rules is demonstrated by the compliance of Iowa insurers with these standards of consistency. This chapter requires each insurer to provide a copy of their financial liability coverage card with the Iowa Department of Insurance and Financial Services, and the copies demonstrate that the uniformity prescribed within the chapter is being achieved.

What are the costs incurred by the public to comply with the rule?

There is no cost to the public to comply with the rules. Any costs to comply with the rules are associated with the requirements of the underlying statute, such as the requirement to maintain financial liability coverage and the requirement of insurers to issue financial responsibility coverage cards that comply with rules adopted by the Department.

What are the costs to the agency or any other agency to implement/enforce the rule?

There are no costs to the Department to implement the rules beyond those that would otherwise be required to administer the statute.

Do the costs justify the benefits achieved? Please explain.

There are no costs to comply with the rules beyond those that would otherwise be required to administer the statute.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The rules have been revised where possible to remove the statutory text or redundant language. The rules that will be re-promulgated have been determined to be necessary and reworded to provide clarity.

Iowa's requirements for financial liability coverage cards are consistent with the requirements in other states. Nebraska's requirements are almost identical to Iowa's while Illinois and South Dakota require similar elements on coverage cards including name of the insured, VIN, effective and expiration dates of coverage. All states allow for a coverage card to be presented electronically.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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641.1 Applicability language is removed as it is redundant of underlying statute.
641.3 Elements of financial liability coverage cards issued by the department for fleets covered by a bond, security certificate or self-insured vehicles that are duplicative of requirements in 321A.24, 321A.25 and 321A.34 are removed.
641.4 Language is simplified to provide clarity.
641.5 Language is simplified to provide clarity.

RULES PROPOSED FOR REPEAL (list rule number[s]):

None.

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

641.1 Information and location.
641.2 Definitions.
641.3 Content of financial liability coverage card.
641.4 Responsibilities of insurer.
641.5 Acquisition of additional or replacement motor vehicles.
641.6 New policies.

***For rules being re-promulgated with changes, you may attach a document with suggested changes.**

METRICS

Total number of rules repealed:	0
Proposed word count reduction after repeal and/or re-promulgation	231
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	11

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

We recommend amendments to Iowa Code sections 321.20B, 321A.24, and 321A.25 to replace the term “registration number” with VIN, or else to define “registration number” in Iowa Code chapters 321 and 321A.

Proposed repromulgated chapter contains the following definition:

761-641.2(321) Definitions.

“*Registration number*” as used in Iowa Code sections 321.20B, 321A.24(1) and 321A.25(1) means vehicle identification number.