



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1040

PRINTERS NO. 1277

PRIME SPONSOR: Eichelberger

COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	\$0
Motor License Fund	\$0	\$0
Municipal Funds	\$0	\$0

SUMMARY: Amends Title 75 (Vehicle Code) to provide for the electronic issuance of financial responsibility identification cards; provide immunity from liability for police officers when viewing identification cards on an electronic device; allow an owner of a motor vehicle to show proof of financial responsibility in paper or electronic format, and to repeal the mandatory deductible for collision coverage. This legislation would take effect in 60 days and would be applicable to a private passenger automobile insurance policy issued or renewed on or after the bill's effective date.

ANALYSIS: Amends Title 75 (Vehicle Code) to:

- provide for the electronic issuance of financial responsibility identification cards and provide immunity from liability for police officers when viewing identification cards on an electronic device;
- allow an owner of a motor vehicle to show proof of financial responsibility in paper or electronic format; and
- repeal the mandatory deductible for collision coverage in auto insurance policies

Electronic Financial Responsibility ID Cards: This legislation amends Section 1782 (manner of providing proof of financial responsibility) to:

- allow an insurer to issue in an electronic format an insured's financial responsibility identification card, if both parties agree; and
- provide immunity from civil and criminal liability to a police officer acting in good faith when an insured chooses to provide proof of financial responsibility in an electronic format. This immunity includes: inadvertently viewing materials, deleting information, or intercepting a communication; and breakage which may occur to a device.

Electronic Proof of Financial Responsibility: This legislation amends Section 1786 (relating to required financial responsibility) to allow an owner of a motor vehicle to show proof of financial responsibility in paper or electronic format. If proof is provided in an electronic format to a police officer or PennDOT agent, the officer/agent can only view content related to financial responsibility. The owner of the electronic device assumes liability for damage when such device is in the possession of a police officer or PennDOT.

Deductibles for Collision Coverage: This legislation repeals two provisions in Section 1792 (relating to availability of uninsured, underinsured, bodily injury liability and property damage coverage and mandatory deductibles):

- the \$100 minimum deductible for collision coverage; and
- the requirement that an insured sign a statement when selecting a deductible under \$500 to acknowledge that he/she understands that a lower deductible means a higher premium.

This legislation requires an insurer to continue to offer a \$500 deductible for collision coverage to consumers, but allows an insurer to offer deductibles in greater or lesser amounts than \$500, including a \$0 deductible.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth or municipal funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: December 13, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.