

## **IC 9-25-4**

### **Chapter 4. Financial Responsibility**

#### **IC 9-25-4-1**

##### **Persons, generally, who must meet minimum standards; violation; suspension of driving privileges or vehicle registration**

Sec. 1. (a) This section does not apply to:

- (1) an electric personal assistive mobility device;
- (2) an off-road vehicle; or
- (3) a snowmobile.

(b) A person may not:

- (1) register a motor vehicle; or
- (2) operate a motor vehicle on a public highway;

in Indiana if financial responsibility is not in effect with respect to the motor vehicle under section 4 of this chapter, or the person is not otherwise insured in order to operate the motor vehicle.

(c) A person who violates this section is subject to the suspension of the person's current driving privileges or motor vehicle registration, or both, under this article.

*As added by P.L.2-1991, SEC.13. Amended by P.L.105-1991, SEC.1; P.L.59-1994, SEC.3; P.L.143-2002, SEC.8; P.L.125-2012, SEC.244; P.L.259-2013, SEC.23.*

#### **IC 9-25-4-2**

##### **Recovery vehicle operators; duty to meet minimum standards; registration of recovery vehicles; proof of financial responsibility; retention of records**

Sec. 2. A person who operates a recovery vehicle must meet the minimum standards for financial responsibility that are set forth in section 6 of this chapter. A recovery vehicle may be registered only if proof of financial responsibility in amounts required under this section is produced at the time of registration. The bureau shall retain a record of that proof in the bureau's files.

*As added by P.L.2-1991, SEC.13.*

#### **IC 9-25-4-3**

##### **Continuous maintenance; verification; suspension; third party contract**

Sec. 3. (a) Financial responsibility in one (1) of the forms required under this chapter must be continuously maintained as long as a motor vehicle is operated on a public highway in Indiana.

(b) The bureau may, at any time, verify that a person has financial responsibility in effect as required under this article.

(c) The bureau shall suspend the driving privileges or motor vehicle registration, or both, of a person who fails to maintain financial responsibility as required under this article.

(d) In order to comply with this section, the bureau may contract with a third party to request proof of financial responsibility from a person as required under this article. The third party must comply

with the requirements of this article and any rules adopted by the bureau.

*As added by P.L.2-1991, SEC.13. Amended by P.L.125-2012, SEC.245; P.L.59-2013, SEC.8.*

#### **IC 9-25-4-4**

##### **When financial responsibility in effect; necessary provisions in and approval of insurance policies**

Sec. 4. (a) For the purposes of this article, financial responsibility is in effect with respect to a motor vehicle if:

(1) a motor vehicle liability insurance policy issued with respect to the motor vehicle or operator under IC 9-25-5-7;

(2) a bond executed with respect to the motor vehicle under section 7 of this chapter; or

(3) the status of the owner or operator of the motor vehicle as a self-insurer, as recognized by the bureau through the issuance of a certificate of self-insurance under section 11 of this chapter; provides the ability to respond in damages for liability arising out of the ownership, maintenance, or use of the motor vehicle in amounts at least equal to those set forth in section 5 or 6 of this chapter.

(b) A motor vehicle liability policy under this article must contain the terms, conditions, and provisions required by statute and must be approved by the state insurance commissioner.

*As added by P.L.2-1991, SEC.13. Amended by P.L.125-2012, SEC.246.*

#### **IC 9-25-4-5**

##### **Minimum amounts of financial responsibility**

Sec. 5. Except as provided in section 6 of this chapter, the minimum amounts of financial responsibility are as follows:

(1) Subject to the limit set forth in subdivision (2), twenty-five thousand dollars (\$25,000) for bodily injury to or the death of one (1) individual.

(2) Fifty thousand dollars (\$50,000) for bodily injury to or the death of two (2) or more individuals in any one (1) accident.

(3) Ten thousand dollars (\$10,000) for damage to or the destruction of property in one (1) accident.

*As added by P.L.2-1991, SEC.13.*

#### **IC 9-25-4-6**

##### **Recovery vehicles; minimum amounts of financial responsibility**

Sec. 6. (a) The minimum standards for financial responsibility for a Class A recovery vehicle are a combined single limit of seven hundred fifty thousand dollars (\$750,000) for bodily injury and property damage in any one (1) accident or as follows:

(1) Subject to the limit set forth in subdivision (2), five hundred thousand dollars (\$500,000) for bodily injury to or the death of one (1) individual.

(2) One million dollars (\$1,000,000) for bodily injury to or the

death of two (2) or more individuals in any one (1) accident.

(3) One hundred thousand dollars (\$100,000) for damage to or the destruction of property in one (1) accident.

(b) The minimum standards for financial responsibility for a Class B recovery vehicle are a combined single limit of three hundred thousand dollars (\$300,000) for bodily injury and property damage in any one (1) accident or as follows:

(1) Subject to the limit set forth in subdivision (2), one hundred thousand dollars (\$100,000) for bodily injury to or the death of one (1) individual.

(2) Three hundred thousand dollars (\$300,000) for bodily injury to or the death of two (2) or more individuals in any one (1) accident.

(3) Fifty thousand dollars (\$50,000) for damage to or the destruction of property in one (1) accident.

*As added by P.L.2-1991, SEC.13.*

#### **IC 9-25-4-7**

##### **Methods of proving financial responsibility**

Sec. 7. (a) Proof of financial responsibility as requested by the bureau:

(1) must be in effect on the date of the request; and

(2) may be given by any of the following methods:

(A) Proof that a policy or policies of operator or motor vehicle liability insurance, as applicable, have been obtained and are in full force and effect.

(B) Proof that a bond has been duly executed.

(C) Proof that deposit has been made of money or securities.

(b) Proof of financial responsibility as requested by a law enforcement officer:

(1) must be in effect on the date of the request; and

(2) may be provided in a paper or electronic format. For purposes of this subdivision, electronic formats include the display of an electronic image on a telecommunications device.

*As added by P.L.2-1991, SEC.13. Amended by P.L.59-2013, SEC.9.*

#### **IC 9-25-4-8**

##### **Proof of financial responsibility**

Sec. 8. Proof of financial responsibility meeting the requirements set forth in this article must be filed in a manner prescribed by the bureau by an insurance carrier of the person for whom proof is required.

*As added by P.L.2-1991, SEC.13. Amended by P.L.125-2012, SEC.247; P.L.59-2013, SEC.10.*

#### **IC 9-25-4-9**

##### **Bonds as proof of financial responsibility; notice of bond cancellation; recovery on claims arising before cancellation**

Sec. 9. (a) A person required to give proof of financial

responsibility may file with the bureau a bond under this section. The bond shall be executed by the person giving the proof and by a surety company authorized to transact business in Indiana.

(b) The bureau may not accept a bond unless the bond is conditioned for payments in amounts and under the same circumstances as would be required in a motor vehicle liability policy furnished by the person giving proof of financial responsibility under this article.

(c) A bond filed under this section may not be canceled unless ten (10) days written notice of cancellation is given to the bureau. Cancellation of a bond under this subsection does not prevent recovery on the bond due to a right or cause of action arising before the date of cancellation.

*As added by P.L.2-1991, SEC.13.*

#### **IC 9-25-4-10**

##### **Deposits with treasurer of state as proof of financial responsibility; grounds for and amount of limitations on execution; proof of absence of unsatisfied judgments**

Sec. 10. (a) A person required to give proof of financial responsibility under this article may give proof of financial responsibility by delivering to the bureau a receipt from the treasurer of state showing a deposit with the treasurer of state of one (1) of the following:

(1) Forty thousand dollars (\$40,000) in cash or securities that may legally be purchased by savings banks.

(2) Trust funds with a market value of forty thousand dollars (\$40,000).

(b) Money and securities deposited under this section are subject to execution to satisfy a judgment under this article within the limits of coverage and subject to the limits on amounts required by this chapter for motor vehicle liability policies. Money and securities deposited under this section are not subject to attachment or execution for a reason not listed under this article.

(c) The treasurer of state may not accept a deposit or issue a receipt for a deposit under this section, and the bureau may not accept a receipt for a deposit under this section, unless the person making the deposit provides evidence that there are no unsatisfied judgments against the person making the deposit registered in the office of the circuit court clerk of the county where the person making the deposit resides.

*As added by P.L.2-1991, SEC.13.*

#### **IC 9-25-4-11**

##### **Certificate of self-insurance; cancellation**

Sec. 11. (a) The bureau may, upon the application of a person, issue a certificate of self-insurance when the bureau is satisfied that the person making the application is possessed and will continue to be possessed of the ability to pay a judgment obtained against the

person making the application. A certificate may be issued authorizing a person to act as a self-insurer for property damage, bodily injury, or death.

(b) After not less than five (5) days notice and a hearing concerning the notice, the department may upon reasonable grounds cancel a certificate of self-insurance. Failure to pay a judgment within thirty (30) days after the judgment becomes final constitutes a reasonable ground for the cancellation of a certificate of self-insurance.

(c) The bureau may only issue a certificate of self-insurance under rules adopted to implement this section.

*As added by P.L.2-1991, SEC.13.*

#### **IC 9-25-4-12**

#### **Repealed**

*(Repealed by P.L.59-1994, SEC.12.)*