

## STATEMENT OF PURPOSE

### RS25212

The purpose of this legislation is to increase the required automobile minimum liability insurance (proof of financial responsibility) from \$25,000 to \$50,000 minimum (for one claimant); from \$50,000 to \$100,000 minimum (for two or more claimants); and from \$15,000 to \$50,000 minimum for property damage (to one or several vehicles). Automobile liability insurance minimum requirements have not been increased since 1983, almost 34 years ago. The same \$25,000 in medical services that a person received in 1983 would cost over \$110,000 today - after adjustment for medical inflation, according to federal statistics.

### FISCAL NOTE

The precise savings are yet to be determined, but the benefit to the General Fund through state and county government entities should be significant. Collectively, they pay medical bills on hundreds of automobile accidents annually. The reason for these savings is because government entities that have paid for medical bills have a priority position subrogation (reimbursement) right from automobile insurance settlements paid by at-fault drivers or the responsible insurance companies.

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).