


I MINA' BENTE NUEBI NA LIHESLATURAN GUÅHAN
2007 (FIRST) REGULAR SESSION

Bill No. 155 (EC)

Introduced by:

v.c. pangelinan


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AN ACT TO AMEND PARAGRAPH (5), ITEM (a) OF §19103 OF 16GCA RELATIVE TO FINES IMPOSED ON INSURERS FOR FAILING TO NOTIFY THE DEPARTMENT OF REVENUE AND TAXATION FOR CANCELLATION OR NON-RENEWAL OF THEIR MOTOR VEHICLE INSURANCE POLICYHOLDERS.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. **Legislative Findings and Intent.** *I Liheslaturan Guahan* finds that
3 existing law requires each motor vehicle registered in Guam shall maintain insurance.
4 Mandatory liability insurance is necessary to provide protection to victims involved in
5 car accidents. While it is the ultimate responsibility of the operator of any vehicle to
6 ensure that proper documents are in order with respect to insurance, registration, and a
7 valid driver's license to operate a motor vehicle on Guam roads, the law also requires
8 insurance companies to notify the Department of Revenue and Taxation and furnish
9 said Department of any motor vehicle insurance cancellations or non-renewals within
10 thirty (30) days. Existing law assesses a fine for failure on the part of an insurance
11 company to inform the Department of Revenue and Taxation to be assessed in the sum
12 of Five Hundred Dollars (\$500) per policy.

13 *I Liheslatura* further finds that notwithstanding current law requiring vehicle
14 insurance as a requisite for vehicle registration, there are still instances wherein
15 operators involved in motor vehicle accidents do not have valid insurance. As a result,

1 victims are usually left to personally deal with medical expenses associated with auto
2 accidents which should have been covered by insurance.

3 Therefore, it is the intent of *I Liheslatura* to have the Five Hundred Dollars
4 (\$500) assessed penalty against insurance companies who fail to notify the proper
5 authorities for their policyholders' non-renewal or cancellation of policy applied to the
6 victim(s).

7 **Section 2.** Paragraph (5), Item (a) of §19103 of 16GCA is hereby *amended* to
8 read:

9 “(5) (a) Failure of the insurer to provide notice of cancellation or non-renewal
10 of a policy to the Director shall be punished by a fine in the sum of Five Hundred
11 Dollars (\$500) per policy. The penalty assessed by this section shall be payable to the
12 party found not at fault in an accident where it has been determined that the party at
13 fault was not covered with auto insurance and the insurance company failed to notify
14 the proper authorities pursuant to 16GCA §19103, paragraph (4), item (a).”

15 **Section 3. Severability.** If any of the provisions of this Act or the application
16 thereof to any person or circumstance is held invalid, such invalidity shall not affect
17 any other provision or application of this Act which can be given effect without the
18 invalid provision or application, and to this end the provisions of this Act are
19 severable.