I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
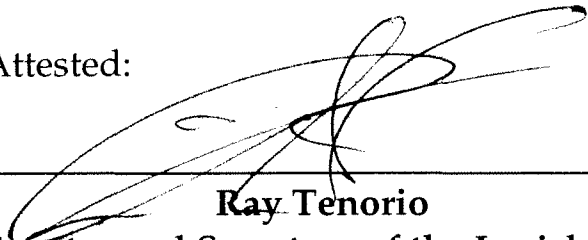## 2007 (FIRST) Regular Session

FILE COPY

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN*

This is to certify that **Bill No. 155 (EC)**, "**AN ACT TO *AMEND* PARAGRAPH (5), ITEM (a) OF §19103 OF TITLE 16 GCA, 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,**" was on the 20th day of December, 2007, duly and regularly passed.
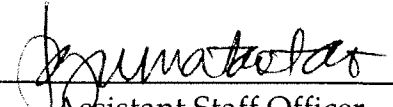
_____
Edward J.B. Calvo
Acting Speaker

Attested:

_____
Ray Tenorio
Senator and Secretary of the Legislature

- -

This Act was received by *I Maga'lahen Guåhan* this ____21____ day of ____Dec____, 2007, at ____1150____ o'clock ____A____.M.

_____
Assistant Staff Officer
Maga'lahi's Office

APPROVED:

_____
FELIX P. CAMACHO
I Maga'lahen Guåhan

Date: _____

Public Law No. _____

Bill No. 155 (EC)
As amended by the author.

Introduced by:

v.c. pangelinan
Frank F. Blas, Jr.
Edward J.B. Calvo
J. V. Espaldon
Mark Forbes
Judith Paulette Guthertz
Frank T. Ishizaki
J. A. Lujan
Tina Rose Muña Barnes
A. B. Palacios, Sr.
R. J. Respicio
David L.G. Shimizu
Ray Tenorio
J. T. Won Pat

AN ACT TO *AMEND* PARAGRAPH (5), ITEM (a) OF §19103 OF TITLE 16 GCA, 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 Guåhan* finds

3   that existing law requires each motor vehicle registered in Guam *shall* maintain

4   insurance. Mandatory liability insurance is necessary to provide protection to

5   victims involved in car accidents. While it is the ultimate responsibility of the

6   operator of any vehicle to ensure that proper documents are in order with respect to

7   insurance, registration, and a valid driver's license to operate a motor vehicle on

1

1   Guam roads, the law also requires insurance companies to notify the Department of

2   Revenue and Taxation and furnish said Department of any motor vehicle insurance

3   cancellations *or* non-renewals within thirty (30) days. Existing law assesses a fine

4   for failure on the part of an insurance company to inform the Department of

5   Revenue and Taxation to be assessed in the sum of Five Hundred Dollars ($500)

6   per policy.

7   *I Liheslatura* further finds that notwithstanding current law requiring vehicle

8   insurance as a requisite for vehicle registration, there are still instances wherein

9   operators involved in motor vehicle accidents do not have valid insurance. As a

10 result, victims are usually left to personally deal with medical expenses associated

11 with auto accidents which should have been covered by insurance.

12   Therefore, it is the intent of *I Liheslatura* to have the Five Hundred Dollars

13 ($500) assessed penalty against insurance companies who fail to notify the proper

14 authorities for their policyholders' non-renewal *or* cancellation of policy applied to

15 the victim(s).

16   **Section 2.**   Paragraph (5), Item (a) of §19103 of Title 16 GCA is hereby

17 *amended* to read:

18   "(5) (a) Failure of the insurer to provide notice of cancellation or non-

19   renewal of a policy to the Director *shall* be punished by a fine in the sum of

20   Five Hundred Dollars ($500) per policy. The penalty assessed by this

21   Section *shall* be payable to the party found not at fault in an accident where

22   it has been determined that the party at fault was not covered with auto

23   insurance and the insurance company failed to notify the proper authorities

24   pursuant to Title 16 GCA §19103, paragraph (4), item (a). This provision in

25   no way settles *or* releases the insurance companies *or* responsible parties of

26   claims that may arise from the accident."

1   **Section 3.**   **Severability.**   *If* any of the provisions of this Act or the

2   application thereof to any person or circumstance is held invalid, such invalidity

3   shall *not* affect any other provision or application of this Act which can be given

4   effect without the invalid provision or application, and to this end the provisions of

5   this Act are severable.