

113TH CONGRESS
2^D SESSION

H. R. 4669

To allow servicemembers to maintain their domicile for auto insurance purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2014

Mr. ROYCE (for himself and Ms. DUCKWORTH) introduced the following bill;
which was referred to the Committee on Financial Services

A BILL

To allow servicemembers to maintain their domicile for auto insurance purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Servicemembers Insur-
5 ance Relief Act of 2014”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—The Congress finds the following:

8 (1) When servicemembers move from one State
9 to another they are required to go through a burden-

1 some process of changing their auto insurance poli-
2 cies.

3 (2) The Servicemembers Civil Relief Act (50
4 U.S.C. App. 501 et seq.) allows the men and women
5 serving in the United States Armed Forces to keep
6 a stable domicile with respect to auto licensing and
7 fees even if they are forced to move temporarily in
8 compliance with military orders.

9 (3) The Federal Insurance Office of the U.S.
10 Department of the Treasury, in its report of Decem-
11 ber 12, 2013, on how to modernize and improve the
12 system of insurance regulation in the United States,
13 found that “an individual on active duty can trans-
14 fer credit cards, checking accounts, and other finan-
15 cial services simply by submitting a change of ad-
16 dress form. By contrast, an individual moving from
17 one state to another may be required to obtain a
18 new auto insurance policy on each transfer”. Fur-
19 thermore the report called on interested parties “to
20 identify a more accommodating approach for service
21 members who have personal auto policies and are re-
22 quired to move across state lines”.

23 (4) Relief should be provided with respect to
24 auto insurance policies for servicemembers and their
25 families that are required to move in compliance

1 with any temporary duty or permanent change of
2 station order.

3 (b) PURPOSE.—The purpose of this Act is to reduce
4 the burdens and increase the protections involved in
5 changing auto insurance policies for servicemembers and
6 their families who are required to move in compliance with
7 a temporary duty or permanent change of station order.

8 **SEC. 3. MAINTENANCE OF DOMICILE FOR INSURANCE PUR-**
9 **POSES.**

10 (a) IN GENERAL.—A member of a household of a
11 servicemember shall neither lose nor acquire a residence
12 or domicile for purposes of insuring a motor vehicle used
13 primarily for personal, family, or household use if—

14 (1) in the case of a member of the household
15 who is a servicemember, such servicemember has
16 temporarily moved to comply with any temporary
17 duty or permanent change of station order; or

18 (2) in the case of any other member of the
19 household, such member has temporarily moved to
20 accompany a servicemember of such household who
21 is complying with any temporary duty or permanent
22 change of station order.

23 (b) NOTICE.—

24 (1) REQUIREMENT.—If a member of a house-
25 hold of a servicemember notifies an insurer of a

1 motor vehicle of such member of a move referred to
2 in subsection (a), such insurer shall provide such
3 member with a servicemembers insurance choice no-
4 tice under paragraph (2).

5 (2) SERVICEMEMBERS INSURANCE CHOICE NO-
6 TICE.—The Director of the Federal Insurance Office
7 of the Department of the Treasury shall promulgate,
8 in compliance with the rulemaking requirements of
9 subchapter II of chapter 5 of title 5, United States
10 Code (commonly known as the Administrative Proce-
11 dure Act)—

12 (A) a standard servicemembers insurance
13 choice notice that shall—

14 (i) summarize clearly and in plain lan-
15 guage the right of servicemembers and
16 members of their households, in addition to
17 options available under current law, to con-
18 tinue an existing auto insurance policy as
19 allowed by the insurer with appropriate ad-
20 justments that relate only to location risk
21 factors;

22 (ii) include language notifying the
23 servicemember that the insurer to whom
24 the servicemember provided the notice of a
25 move shall explain the coverage options

1 available to the servicemember as a result
2 of the move; and

3 (iii) include standard language that
4 requires no alterations or additions for an
5 insurer providing the notice to be fully in
6 compliance with paragraph (1); and

7 (B) standards regarding methods for
8 transmittal of such notice to a member of a
9 household of a servicemember that are suffi-
10 cient to comply with paragraph (1).

11 (3) SAFE HARBOR.—Paragraph (1) may not be
12 construed to impose any duty on an insurer who is
13 notified of a move referred to in subsection (a) to
14 determine whether the person providing such notice
15 is a servicemember.

16 (c) LIMITATIONS.—Nothing in this section shall be
17 construed to—

18 (1) require a person to maintain an existing
19 auto insurance policy;

20 (2) allow an insurer to impose any penalties
21 against a member of a household of a servicemember
22 based solely on a decision to maintain or not main-
23 tain an existing auto insurance policy, as allowed by
24 the insurer with appropriate adjustments that relate
25 only to location risk factors; or

1 (3) require an insurer to continue providing
2 coverage to such a member.

3 (d) PREEMPTION.—The provisions of this Act shall
4 supersede any and all State or local laws that conflict with
5 this Act, including—

6 (1) any State or local law that requires a mem-
7 ber of a household of a servicemember to change the
8 auto insurance policy of such member;

9 (2) any State or local law that seeks to assert
10 control over the regulation of such policy other than
11 by the State in which the auto insurance policy was
12 issued or renewed; and

13 (3) any State or local law regarding proof of in-
14 surance that prohibits the electronic delivery of in-
15 surance documents.

16 (e) LIABILITY LIMITS.—Notwithstanding subsection
17 (d)(2), the minimum security requirements for motor vehi-
18 cles of the State where a servicemember resides shall apply
19 to an auto insurance policy of a member of such
20 servicemember’s household.

21 (f) ENFORCEMENT.—Authority to examine and en-
22 force insurer compliance with the provisions of this Act
23 shall be held by the State in which the auto insurance pol-
24 icy was issued or renewed.

1 **SEC. 4. DEFINITIONS.**

2 In this Act:

3 (a) **MEMBER OF A HOUSEHOLD.**—The term “mem-
4 ber of a household” means, with respect to a servicemem-
5 ber—

6 (1) the servicemember;

7 (2) the spouse of the servicemember; or

8 (3) any dependent residing with the service-
9 member or the spouse of the servicemember.

10 (b) **MOTOR VEHICLE.**—The term “motor vehicle” has
11 the meaning given the term in section 30102(a)(6) of title
12 49, United States Code.

13 (c) **SERVICEMEMBER.**—The term “servicemember”
14 means a member of the uniformed services, as such term
15 is defined in section 101(a) of title 10, United States
16 Code, or of the National Guard or the reserve components
17 thereof.

18 (d) **STATE.**—The term “State” means each of the
19 several States of the United States, the District of Colum-
20 bia, and any commonwealth, territory, or possession of the
21 United States.

22 (e) **TEMPORARILY MOVED.**—The term “temporarily
23 moved” means, with respect to a person, that the person
24 has moved from one State to another but has not decided

1 to reside indefinitely in the State to which such person
2 moved.

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