

HB 1568-FN - AS INTRODUCED

2026 SESSION

26-2477

06/05

HOUSE BILL ***1568-FN***

AN ACT relative to mandatory minimum insurance coverage requirements for motor vehicles.

SPONSORS: Rep. Barton, Graf. 1

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill requires owners of registered motor vehicles to maintain liability insurance meeting minimum coverage thresholds, establishes penalties for noncompliance, and authorizes rulemaking for verification procedures.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~[in brackets and struckthrough.]~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty-Six

AN ACT relative to mandatory minimum insurance coverage requirements for motor vehicles.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Section; Mandatory Liability Insurance. Amend RSA 264 by inserting after section 15
2 the following new section:

3 264:15-a Mandatory Liability Insurance.

4 I. No motor vehicle required to be registered in this state shall be operated upon any way
5 unless the owner maintains a motor vehicle liability insurance policy issued by a company
6 authorized to transact business in this state.

7 II. The policy shall provide at least the minimum coverage limits required under RSA
8 264:20, including:

9 (a) Bodily injury or death of one person, not less than \$25,000.

10 (b) Bodily injury or death of 2 or more persons, not less than \$50,000 per accident.

11 (c) Property damage, not less than \$25,000 per accident.

12 III. Proof of insurance shall be provided at the time of vehicle registration and upon request
13 by law enforcement.

14 IV. A person who fails to maintain active insurance shall be subject to:

15 (a) Suspension of the vehicle's registration by the director until proof of coverage is
16 provided; and

17 (b) A civil penalty of \$250 for a first offense and \$500 for each subsequent offense.

18 V. The department of safety may adopt rules under RSA 541-A to implement this section,
19 including procedures for electronic verification of coverage.

20 2 Effective Date. This act shall take effect January 1, 2027.

**HB 1568-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to mandatory minimum insurance coverage requirements for motor vehicles.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$0	\$200,000	\$300,000	\$400,000
<i>Revenue Fund(s)</i>	General Fund			
Expenditures*	\$0	\$444,000	Indeterminable Increase \$150,000+ Per Year	
<i>Funding Source(s)</i>	Restricted - Highway Fund Cost of Collections - Per the state constitution, costs associated with the collection/administration of highway fund revenue by the Department of Safety is deducted prior to funds being credited as unrestricted highway fund revenue			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

*Expenditure = Cost of bill

*Appropriation = Authorized funding to cover cost of bill

METHODOLOGY:

This bill establishes a requirement to provide proof of financial responsibility at the time of motor vehicle registration and authorizes immediate suspension of license and registration for failure to produce such proof upon lawful request. This bill will have an impact on both the Department of Safety and insurance premium tax revenue collected by the Insurance Department.

Department of Safety Impact

The Department states this bill mandates that all motor vehicles registered in New Hampshire carry minimum liability insurance coverage. Proof of insurance must be provided at the time of registration and upon request by law enforcement. Individuals who fail to maintain coverage are subject to registration suspension and civil penalties of \$250 for a first offense and \$500 for subsequent offenses. The Division of Motor Vehicles (DMV) does not currently have a system in place to electronically verify or manually track insurance coverage at the time of registration. Current system updates, and/or integration with third-party insurance verification platforms,

will be required to support implementation including MAAP, VISION, SPOTS, and CPI. This bill does not specify whether proof of insurance is required only at initial registration or also at annual renewal. If renewals are included, this would significantly impact the online renewal process and require additional system modifications. The bill refers to a “civil penalty” but does not clarify whether these penalties are subject to the \$2.00 or 24% (whichever is greater) penalty assessment fee under RSA 106-L:10, creating uncertainty around potential revenue implications.

The Department anticipates costs associated with developing a system capable of verifying insurance either through electronic means and/or by manual means through additional job duties which may include integration, testing, and ongoing maintenance. Also, additional staffing may be required to manage increased workload related to insurance verification, registration suspensions, civil penalty processing, customer service and disputes, and municipal Agent training. If proof of insurance is required for renewal, the online renewal system will need to be modified to accommodate document upload or real-time verification, which may also increase call volume and in-person visits to towns and DMV offices. Below is a summary of the anticipated costs for the DMV:

Description	FY 2027	FY 2028	FY 2029
System maintenance, vendor contract management, and interface updates	\$300,000	Indeterminable	Indeterminable
DMV Staffing Costs* Two (2) License Clerks (SOC 43-03)	\$144,000	\$144,000	\$150,000
Total	\$444,000	Indeterminable	Indeterminable

*This bill provides neither authorization nor appropriation for new personnel.

Lastly, the Department states Municipal Agents will be responsible for collecting and reviewing proof of insurance at the time of registration for their residents. This will require training for Municipal Agents to ensure consistent application of the new requirements and public outreach and education to inform residents of the change and avoid delays or confusion at the time of registration. While no direct fiscal impact liability is imposed on municipalities, the Department states there may be operational impacts related to increased transaction time, customer inquiries, and training needs.

Insurance Department (Premium Tax) Impact

According to data published by the Insurance Information Institute dated 2023, 90.0% of autos registered in New Hampshire are covered by insurance. Neighboring states of Massachusetts and Maine have slightly higher rates of covered autos with an average between them of 93.2%. These states have mandatory insurance requirements like what is proposed in this bill. Using this latter value as a reasonable approximation, the Insurance Department estimates a 3.6%

increase in covered vehicles in New Hampshire if this bill becomes law. It is unlikely owners of these newly covered autos would choose the same level of insurance as the average policy holder today. The bill requires only liability coverage, and it is likely minimal limits would be selected. To this extent, the Department converted the 3.6% increase in covered autos to a 1.8% increase in written premium because approximately 50% of auto insurance premium is attributed to liability coverage.

Consistent with future revenue estimates, the Department anticipates an 8% increase in written premiums independent of changes to current law.

	FY 2027*	FY 2028	FY 2029
Estimated Additional Written Premium (in millions)	\$12.9	\$27.8	\$30.1
New Hampshire Premium Tax Rate	1.25%	1.25%	1.25%
Estimated Additional Premium Tax (in millions) (product of above values)	\$0.2	\$0.3	\$0.4

*Expected additional premium for FY 2027 was reduced by 50% because the proposed legislation would take effect midway through that fiscal year and compliance to the new law would likely be gradual.

AGENCIES CONTACTED:

Department of Education