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## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

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**2009 Wisconsin Act 244**  
[2009 Senate Bill 488]

**Proof of Financial Responsibility;  
Motor Vehicles; Policies and Bonds  
Issued by Out-of-State Insurers**

### CURRENT LAW

Under current law, a motor vehicle liability insurance policy or bond, offered as proof of financial responsibility to avoid the deposit of security after an accident or following entry of judgment arising from an accident, must generally be issued by an insurer authorized to do an automobile liability or surety business in this state.

However, if the vehicle involved in the accident was not registered in this state when the most recent policy or bond period commenced or the judgment is entered against a nonresident, the policy or bond covering the vehicle is acceptable proof of financial responsibility, even if it is not issued by an insurer authorized to do an automobile liability or surety business in this state, if: (1) it meets certain liability limits and; (2) the insurer that issued the policy or bond executes a power of attorney authorizing the Department of Transportation (DOT) to accept service of process in any action upon the policy or bond arising out of the accident or another accident in this state.

### 2009 WISCONSIN ACT 244

2009 Wisconsin Act 244 eliminates the requirement that, for a policy or bond issued by an insurer not authorized to do an automobile liability or surety business in this state to be acceptable proof of financial responsibility, the insurer execute a power of attorney authorizing DOT to accept service of process.

The Act does not affect current law provisions providing that a nonresident's operation of a motor vehicle on the state's highways constitutes an authorization for DOT to receive service of process for the nonresident or his or her personal representative in any action relating to damage resulting from the vehicle operation.

**Effective date:** 2009 Wisconsin Act 244 takes effect on May 20, 2010.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.