

Motor Vehicle Division Informational Memo # 25-05

Ch. 640 Financial Responsibility – EO10 Updates

DATE: March 24, 2025

FROM: Sara Siedsma, Motor Vehicle Division

TO: All Motor Vehicle Division staff

EFFECTIVE: MARCH 26, 2025

SUBJECT

This informational memo explains updates to administrative rule chapter 761—640, Financial Responsibility.

SUMMARY

This chapter was recently revised pursuant to Executive Order 10 (EO10), which required all state agencies to conduct comprehensive review of all existing administrative rules. The goal of the review was to reduce regulatory burdens and restrictive terms, and to remove obsolete, outdated, inconsistent, redundant or unnecessary regulations, including instances where rule language is duplicative of statutory language.

EO10 required the chapter to be rescinded and then reissued as new.

Below is a summary of the changes made to this chapter as part of the EO10 review:

- Unnecessarily restrictive terms and language that is duplicative of statute was removed throughout the chapter.
- Language was added to rule 640.6 clarifying a paper or electronic format is acceptable for providing proof of financial responsibility and cancellations but maintained the requirement in subrule 640.6(8) for insurance carriers to submit such proof to the department electronically.
- Subrule 640.6(5) was amended to clarify that the SR-26 form only needs to contain the policyholder's name, driver's license number and policy number, and no longer requires the policyholder's address, social security number and date of birth. The webservice for SR filings has not been updated to reflect this change as that would require an IT change.
- The references to the July 1, 2021 effective date for electronic submissions by insurers was removed due to that implementation date being in the past.

The revised rule chapter is effective March 26, 2025.

LINK TO ADMINISTRATIVE RULES

[761 IOWA ADMINISTRATIVE CODE 640 – Adopted and Filed](#)

CURRENT

Chapter 640 implements Iowa Code section 321A.2 and explains the financial responsibility requirements following an accident involving an uninsured driver or vehicle, and how vehicle operators and owners can satisfy the requirements or meet an exception.

NEW

As of March 26, 2025, the chapter will reflect the changes listed in the summary section above.

BUSINESS IMPACT

Minimal impact. None of the changes to the chapter should have a significant business impact compared to the prior chapter as the changes were mainly technical in nature or geared towards streamlining requirements.