

Motor Vehicle Division Informational Memo # 25-06

Ch. 641 Financial Liability Coverage – 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—641, Financial Liability Coverage.

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 The goal of the review was to reduce regulatory burdens and restrictive terms, and to remove obsolete, outdated, inconsistent, redundant or unnecessary regulations, including instances where rule language is duplicative of statutory language.

EO10 required the chapter to be rescinded and then reissued as new.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.
- A definition of “financial liability coverage” was added to rule 641.2.
- Clarification that the financial liability coverage card can be in paper or electronic format was added rule 641.3.

The revised rule chapter is effective March 26, 2025.

LINK TO ADMINISTRATIVE RULES

[761 IOWA ADMINISTRATIVE CODE 641 – Adopted and Filed](#)

CURRENT

Chapter 641 implements Iowa Code section 321.20B and establishes requirements for financial liability coverage cards to provide uniformity and consistency for cards issued by insurers transacting business in Iowa

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 technical in nature.