

**16 GCA VEHICLES
CH. 23 ASSIGNED RISK PLANS**

**CHAPTER 23
ASSIGNED RISK PLANS**

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NOTE: P.L. 22-20, after requiring that insurance companies provide liability insurance for vehicles 10 years of age or older, also stated:

Section 2. Section 3 of Public Law 20-216 is repealed and reenacted to read:

"Section 3. New rates. The Insurance Commissioner is hereby directed to implement a new rate and premium schedule for the purchase and sale of automobile insurance. The new schedule shall include provision of liability insurance for vehicles that are ten (10) years old or older that otherwise meet the mandatory automobile liability insurance requirements provided by this Act. If in the opinion of the Insurance Commissioner coverage for this class of vehicles is better suited for consideration under item (5) of subsection (a), § 23105, Title 16, Guam Code Annotated, then after coordination with the insurance community, such required insurance coverage for older vehicles may be provided under such Chapter 23".

2011 NOTE: Reference to the "Insurance Commissioner" changed to the "Commissioner of Banking and Insurance" pursuant to P.L. 27-088:10 (May 6, 2004).

§ 23101. Approval or Issue Of Plan for Apportionment of Applicants; Amendments; Hearing; Subscription and Participation; Publication of Notice of Hearing.

The Commissioner, after a public hearing, shall approve or issue a reasonable plan for the equitable apportionment, among insurers admitted to

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transact liability insurance, of those applicants for automobile bodily injury and property damage liability insurance who are in good faith entitled to but are unable to procure such insurance through ordinary methods. The Commissioner may approve or issue reasonable amendments to such plan if he first holds a public hearing to determine whether the amendments are in keeping with the intent and purpose of this Section. All such insurers shall subscribe to the plan and its amendments and, subject to § 23102, participate therein.

Notice of the public hearings required by this Section shall be published, not less than ten (10) days nor more than thirty (30) days prior to such hearings, in a newspaper of general circulation in Guam.

SOURCE: GC § 43540, added by P.L. 10-7.

§ 23102. When Assignments Not to Be Required.

Such plan shall not require assignments to be made to an insurer which (a) does not transact automobile bodily injury and property damage liability insurance, (b) has withdrawn from Guam pursuant to, and in compliance with § 43112 GC, or (c) has discontinued the execution of new or renewal contracts of automobile bodily injury and property damage liability insurance, and has notified the Commissioner of such discontinuance.

SOURCE: GC § 43541, added by P.L. 10-7.

§ 23103. Amount of Coverage Required to Be Issued.

Such plan shall require the issuance of a policy affording coverage in the amount of Five Thousand Dollars (\$5,000.00) for bodily injury to or death of each person as the result of any one (1) accident and, subject to said limit as to one (1) person, the amount of Ten Thousand Dollars (\$10,000.00) for bodily injury to or death of all persons as a result of any one (1) accident, and the amount of Five Thousand Dollars (\$5,000.00) for damage to property of others as a result of any one (1) accident, or in such minimum amounts as are necessary to provide exemption from the security requirements of § 19103 of the Vehicle Code, or for which proof of ability to respond in damages or adequate protection against liability is otherwise required by law, but shall not require the issuance of a policy affording coverage in excess of said amounts.

SOURCE: GC § 43542, added by P.L. 10-7.

§ 23104. Formation of Organization to Administer and Operate Plan; Apportionment of Cost of Organization.

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To carry out the purpose of this Chapter, the subscribing insurers may form their own organization which shall, subject to review by the Commissioner, administer and operate the plan. The cost of such organization shall be fairly proportioned among the subscribing insurers to whom assignments may be made.

SOURCE: GC § 43543, added by P.L. 10-7.

§ 23105. What Plan to Contain.

Such plan shall contain:

(a) Standards for determining eligibility of applicants for insurance, and in establishing such standards the following may be taken into consideration in respect to the applicant or any other person who may reasonably be expected to operate the applicant's automobile with his permission:

- (1) His criminal conviction record;
- (2) His record of suspension or revocation of a license to operate an automobile;
- (3) His automobile accident record;
- (4) His age and mental, physical and moral characteristics which pertain to his ability to safely and lawfully operate an automobile;
- (5) The condition or use of the automobile.

(b) Procedures for making application for insurance, for apportionment of eligible applicants among the subscribing insurers, and for appeal to the Commissioner by persons who believe themselves aggrieved by the operation of the plan.

(c) Rules and Regulations governing the administration and operation of the plan.

(d) Provisions showing the basis upon which premium charges shall be made, and the manner of payment thereof, and

(e) Such other provisions as may be necessary to carry out the purpose of this Chapter.

SOURCE: GC § 43544, added by P.L. 10-7.

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§ 23106. Prohibition Against Making Charge for Materials and Services in Perfecting Application.

No insurance agent, broker or solicitor shall make any charge to the applicant, directly or indirectly, for furnishing any person the necessary application forms, technical assistance and services necessary to perfect an application through the plan, other than such commission as is paid by the insurer pursuant to the provisions of such plan.

SOURCE: GC § 43545, added by P.L. 10-7.

§ 23107. Failure to Subscribe to Plan.

If an insurer admitted to transact liability insurance fails to subscribe to the plan or to any amendments thereto, the Commissioner shall give ten (10) days' written notice to such insurer to so subscribe. If such insurer fails to comply with such notice, then the Commissioner may, after hearing upon notice, suspend the Certificate of Authority of such insurer to transact liability insurance in Guam until such insurer does so subscribe.

SOURCE: GC § 43546, added by P.L. 10-7.

§ 23108. Failure to Comply with Chapter or Plan.

If the Commissioner, after hearing upon not less than ten (10) days' notice, finds that any insurer has failed to perform any of the duties required of it by this Chapter or by the plan, other than those duties enumerated in § 23107, he may issue an order to such insurer specifying in what manner and to what extent he finds the insurer to have so failed and requiring, within a reasonable time, not less than ten (10) days, compliance with such requirements. If, within the period specified in the order, the insurer fails to comply with such order, then the Commissioner, after hearing upon notice, shall suspend the Certificate of Authority of such insurer to transact liability insurance in Guam until such insurer does comply with the order.

SOURCE: GC § 43547, added by P.L. 10-7.
