

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE BILL NO. 2247

By: Weaver

AS INTRODUCED

An Act relating to motor vehicles; amending 47 O.S. 1991, Section 7-601, as amended by Section 1, Chapter 301, O.S.L. 1993, 7-601.1 and 7-602 (47 O.S. Supp. 1993, Section 7-601), which relate to compulsory liability insurance; requiring persons to provide proof of security when applying for or renewing a driver license; providing procedure for issuance of forms for drivers covered by insurance policy; providing content of forms; requiring duplicate forms for persons covered by operator's policies; removing obsolete language; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 47 O.S. 1991, Section 7-601, as amended by Section 1, Chapter 301, O.S.L. 1993 (47 O.S. Supp. 1993, Section 7-601), is amended to read as follows:

Section 7-601. A. ~~Until January 1, 1983, every owner of a motor vehicle registered in this state, other than a licensed used motor vehicle dealer, shall, at all times, maintain in force with respect to such vehicle security for the payment of loss resulting from the liability imposed by law for bodily injury, death and~~

~~property damage sustained by any person arising out of the ownership, maintenance, operation or use of the vehicle. As used herein, "security" means:~~

~~1. A policy or bond meeting the requirements of Section 7-204 of this title;~~

~~2. A deposit of cash or securities having the equivalency of limits required under Section 7-204 of this title as acceptable limits for a policy or bond; or~~

~~3. Self-insurance, pursuant to the provisions of Section 7-503 of this title, having the equivalency of limits required under Section 7-204 of this title as acceptable limits for a policy or bond.~~

~~B.~~ On and after January 1, 1983, every owner of a motor vehicle registered in this state, other than a licensed used motor vehicle dealer, shall, at all times, maintain in force with respect to such vehicle security for the payment of loss resulting from the liability imposed by law for bodily injury, death and property damage sustained by any person arising out of the ownership, maintenance, operation or use of the vehicle. Every person, while operating or using a motor vehicle registered in this state which is not owned by such person, shall maintain in force security for the payment of loss resulting from the liability imposed by law for bodily injury, death or property damage sustained by any person arising out of the operation or use of the vehicle, unless such security has been provided by the owner in accordance with this section which does not exclude said person from coverage.

~~C.~~ B. 1. On and after September 1, 1993, unless otherwise provided by law, no motor vehicle shall be operated in this state unless there is in effect with respect to such vehicle security for the payment of loss resulting from the liability imposed by law for bodily injury, death and property damage sustained by any person arising out of the ownership, maintenance, operation or use of the

vehicle. Every person, while operating or using a motor vehicle in this state which is not owned by such person, shall maintain in force security for the payment of loss resulting from the liability imposed by law for bodily injury, death or property damage sustained by any person arising out of the operation or use of the vehicle, unless such security has been provided by the owner in accordance with this section which does not exclude said person from coverage. Proof of such security shall be carried in the vehicle at all times and shall be produced for inspection upon request by any law enforcement officer or representative of the Department and, in case of collision, such proof shall be shown upon request of any person affected by the collision.

2. The nonresident owner of a motor vehicle not registered in this state may give proof of financial responsibility by providing proof of compliance with the financial responsibility laws of the state in which the vehicle is registered or by filing with the Department a certificate of an insurance company authorized to transact insurance in the state in which the vehicle is registered, or if such nonresident does not own a motor vehicle, then in the state in which the insured resides, provided such certificate otherwise conforms to the provisions of this article, and the Department shall accept the same upon condition that said insurance company complies with the following provisions with respect to the policy so certified:

- a. the insurance company shall execute a power of attorney authorizing the Department to accept service on its behalf or notice of process in any action arising out of a motor vehicle accident in this state, and
- b. the insurance company shall agree in writing that such policies shall be deemed to conform with the laws of

this state relating to the terms of motor vehicle liability policies issued in this state.

3. The provisions of this subsection shall apply to nonresident owners and operators of vehicles that are not registered in this state only if the state in which the vehicle is registered requires compulsory liability insurance. In such cases, compliance with the requirements of the law of the state of registration shall be deemed compliance with the laws of this state.

C. Beginning January 1, 1995, every person shall provide proof of security when applying for or renewing a driver license issued by the Department of Public Safety.

The person who is the named insured on an owner's policy shall provide to the insurer which issued the policy a list of all persons explicitly covered by the policy. The insurer shall provide security verification forms for each such person. These forms shall be in addition to the forms required to be issued pursuant to Section 7-601.1 of this title. The forms shall contain all of the information required by Section 7-601.1 of this title, except that for persons other than the named insured, the forms also shall contain the name of the person for whom the forms are issued.

SECTION 2. AMENDATORY 47 O.S. 1991, Section 7-601.1, is amended to read as follows:

Section 7-601.1 A. Every carrier, upon issuing an owner's policy, a renewal thereof, or a binder, shall supply a security verification form in duplicate to an owner for each insured vehicle on a form approved by the Insurance Commissioner.

1. The owner's security verification form shall contain the following minimum information:

- a. the name and address of the carrier,
- b. the name and address of the agent or office where the existence of security may be verified, if other than the carrier,

- c. the name of the named insured,
- d. a notice that an owner's liability insurance policy has been issued pursuant to the Compulsory Insurance Law of this state,
- e. the year of manufacture, make and at least the last three (3) digits of the vehicle identification number of each insured motor vehicle,
- f. the inclusive dates the motor vehicle liability insurance is in effect, and
- g. a warning to the owner that state law:
 - (1) requires a current copy of the owner's security verification form must be surrendered to the motor license agent or other registering agency upon application or renewal for a motor vehicle license plate,
 - (2) requires the other copy of the owner's security verification form to be carried in the motor vehicle at all times, and produced by any driver of the vehicle upon request for inspection by any peace officer or representative of the Department of Public Safety. In case of a collision, the security verification form shall be shown upon request of any person affected by the collision.

The security verification form shall not include the address of the named insured.

2. The owner's security verification form shall contain the following statement: "Examine policy exclusions carefully. This form does not constitute any part of your insurance policy."

3. When a carrier issues an owner's policy providing blanket liability coverage for a fleet of motor vehicles, the year of manufacture, make and at least the last three (3) digits of the vehicle identification number specified in subparagraph e of

paragraph 1 of this subsection may be deleted. The security verification form shall bear the term "Fleet Coverage" and otherwise meet the provisions of Section 7-600 et seq. of this title.

4. In the event the effective dates within an owner's policy exceed one (1) year, the carrier shall furnish the owner a copy of the owner's security verification form at least annually in addition to the time of issuance or renewal in order for the owner to submit such copy for motor vehicle registration purposes.

5. In the event an owner's policy also provides liability coverage which meets the requirements of an operator's policy, the carrier may also issue to each person entitled thereto an operator's security verification form as provided in this section.

B. Every carrier, upon issuing an operator's policy, a renewal thereof, or a binder, shall issue the insured person a security verification form to be used for compliance with subsection C of Section 7-601 of this title and may issue to the insured person a written operator's security verification form of a size which may conveniently be carried upon the person, containing the following minimum information:

1. The name and address of the carrier;

2. The name and address of the person or office where an inquiry may be made to verify the existence of security;

3. The name of the named insured;

4. A notice that in accordance with the Compulsory Insurance Law of this state, liability coverage has been issued for the named insured;

5. A statement reflecting the form may be carried in lieu of an owner's form pursuant to the Compulsory Insurance Law while operating a motor vehicle. Such form shall be produced upon request of any peace officer or representative of the Department of Public Safety. In case of a collision, the form shall be shown upon

request of a person affected by a collision with a vehicle operated by the insured; and

6. The inclusive dates of liability coverage.

C. A carrier may provide any additional information consistent with the Compulsory Insurance Law of this state in an owner's or operator's security verification form, but shall not be required to list the actual amounts of liability coverage thereon. The security verification form shall not constitute nor be construed as any part of an insurance policy, renewal or binder.

SECTION 3. AMENDATORY 47 O.S. 1991, Section 7-602, is amended to read as follows:

Section 7-602. A. ~~Until July 1, 1983, every person registering a motor vehicle in this state, except a licensed used car dealer, at the time of registration of such vehicle, shall certify the existence of security with respect to such vehicle on a form prescribed by the Department.~~

~~Any person who knowingly issues or promulgates a false or fraudulent writing in connection with this subsection or otherwise fails to comply with this subsection shall be guilty of a misdemeanor and upon conviction shall be subject to a fine not exceeding Five Hundred Dollars (\$500.00).~~

~~Motor carriers required by the Corporation Commission, or any other entity, to maintain liability insurance are hereby exempt from Sections 7-600 through 7-610 of this title.~~

~~B.~~ On and after July 1, 1983:

1. The owner of a motor vehicle registered in this state shall carry in such vehicle at all times a current owner's security verification form listing the vehicle or an equivalent form which has been issued by the Department and shall produce such form upon request for inspection by any law enforcement officer or representative of the Department of Public Safety and, in case of a

collision, the form shall be shown upon request to any person affected by said collision.

2. Every person registering a motor vehicle in this state, except a motor vehicle which is not being used upon the public highways or public streets, or a manufactured home while said manufactured home is on a permanent foundation, at the time of registration of such vehicle, shall certify the existence of security with respect to such vehicle by surrendering to a motor license agent or other registering agency a current owner's security verification form or an equivalent form issued by the Department. A motor license agent or other registering agency shall require the surrender of such form prior to processing an application for registration or renewal.

3. The following shall not be required to carry an owner's or operator's security verification form or an equivalent form from the Department during operation of the vehicle and shall not be required to surrender such form for vehicle registration purposes:

- a. any vehicle owned or leased by the federal or state government, or any agency or political subdivision thereof,
- b. any vehicle bearing the name, symbol, or logo of a business, corporation or utility on the exterior and which is in compliance with the provisions of Sections 7-600 through 7-610 of this title according to records of the Department of Public Safety which reflect a deposit, bond, self-insurance, or fleet policy,
- c. any vehicle authorized for operation pursuant to a permit number issued by the Interstate Commerce Commission or the Corporation Commission,
- d. any licensed taxicab, and
- e. any vehicle owned by a licensed used motor vehicle dealer.

4. Any person who knowingly issues or promulgates false or fraudulent information in connection with either an owner's or operator's security verification form or an equivalent form which has been issued by the Department of Public Safety shall be guilty of a misdemeanor and upon conviction shall be subject to a fine not exceeding Five Hundred Dollars (\$500.00), or imprisonment for not more than six (6) months, or by both such fine and imprisonment.

~~C.~~ B. Each motor license agent is authorized to charge a fee of One Dollar and fifty cents (\$1.50) to each person to whom said agent issues a certificate of registration and who is required to surrender proof of financial responsibility pursuant to the provisions of Sections 7-600 through 7-610 of this title. Said fee may be retained by the agent as compensation for his services in processing the proof of financial responsibility and for processing the driver's license information, insurance verification information, and other additional information furnished to the agent pursuant to Section 1112 of this title, if such agent does not receive the maximum compensation as authorized by law.

SECTION 4. This act shall become effective January 1, 1995.

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