

ENGROSSED HOUSE  
BILL NO. 1380

By: Seikel, Hefner and  
Rhodes of the House

and

Leftwich of the Senate

An Act relating to motor vehicle insurance;  
prohibiting insurers from taking certain actions in  
relation to motor vehicle policies; making  
insurance carriers immune from liability in certain  
circumstances; amending 47 O.S. 1991, Section 7-  
600, which relates to the Compulsory Insurance Law;  
modifying definition; providing for mandatory  
exclusions in certain circumstances; stating  
circumstances in which exclusion is not applicable;  
providing for codification; and providing an  
effective date.

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

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 944 of Title 36, unless there is  
created a duplication in numbering, reads as follows:

No insurance carrier who issues motor vehicle policies in this  
state shall cancel, refuse to issue or renew, or increase premium  
rates for an owner's policy, as defined by Section 7-600 of Title 47  
of the Oklahoma Statutes, because any member of the household of the  
insured has an illness or physical disability, if the insured

complies with the provisions for exclusions provided for in Section 7-600 of Title 47 of the Oklahoma Statutes. An insurance carrier shall not be liable for coverage under a motor vehicle policy if a person with an illness or physical disability who is a named exclusion from that policy is involved in a motor vehicle accident while operating a motor vehicle.

SECTION 2. AMENDATORY 47 O.S. 1991, Section 7-600, is amended to read as follows:

Section 7-600. As used in Article VI, Chapter 7 of Title 47 of the Oklahoma Statutes:

1. "Owner's policy". An owner's policy of liability insurance:
  - a. shall designate by explicit description or by appropriate reference all vehicles with respect to which coverage is thereby to be granted,
  - b. shall insure the person named therein and insure any other person, except as provided in subparagraph c of this paragraph, using an insured vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, operation or use of such vehicle,
  - c. shall provide for exclusions from coverage for a member or members of the household who, due to illness or physical disability, do not operate any vehicle covered by the policy, if the insured states in writing that the person or persons to be excluded will not operate any vehicle covered by the policy and if the insured requests the exclusion in writing. Such exclusion shall apply only if the excluded person operates a vehicle. The exclusion shall not constitute an exclusion from coverage if the excluded person is involved in an accident while that person is

a passenger in a vehicle. The policy may provide for other exclusions from coverage in accordance with existing laws, and

- d. shall be issued by an authorized carrier providing coverage in accordance with Section 7-204 of Title 47 of the Oklahoma Statutes.

2. "Operator's policy". An operator's policy of liability insurance shall insure the named person against loss from the liability imposed upon him by law for damages arising out of the operation or use by him of any motor vehicle not owned by him, subject to the same limits of liability required in an owner's policy.

3. "Security". Security means:

- a. a policy or bond meeting the requirements of Section 7-204 of Title 47 of the Oklahoma Statutes,
- b. a deposit of cash or securities having the equivalency of limits required under Section 7-204 of Title 47 of the Oklahoma Statutes as acceptable limits for a policy or bond, or
- c. self-insurance, pursuant to the provisions of Section 7-503 of Title 47 of the Oklahoma Statutes, having the equivalency of limits required under Section 7-204 of Title 47 of the Oklahoma Statutes as acceptable limits for a policy or bond.

4. "Compulsory Insurance Law". Compulsory Insurance Law is the law requiring liability insurance in conjunction with the operation of a motor vehicle in this state as found in Article VI, Chapter 7 of Title 47 of the Oklahoma Statutes.

5. "Security verification form". A security verification form is a form, approved by the Insurance Commissioner, verifying the existence of security required by the Compulsory Insurance Law of the State of Oklahoma.

SECTION 3. This act shall become effective November 1, 1995.

Passed the House of Representatives the 13th day of March, 1995.

Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1995.

President of the Senate