

STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

HOUSE BILL NO. 2877

By: Bastin

AS INTRODUCED

An Act relating to motor vehicles; amending 47 O.S. 1991, Sections 7-600, 7-601, as amended by Section 1, Chapter 301, O.S.L. 1993, 7-602.1 and 7-605, as last amended by Section 9, Chapter 218, O.S.L. 1994 (47 O.S. Supp. 1995, Sections 7-601 and 7-605), which relate to the Compulsory Insurance Law; clarifying 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 7-600, is amended to read as follows:

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

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. may provide for 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~~ this title.

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 2. AMENDATORY 47 O.S. 1991, Section 7-601, as amended by Section 1, Chapter 301, O.S.L. 1993 (47 O.S. Supp. 1995, 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~~ 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~~ 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.

SECTION 3. AMENDATORY 47 O.S. 1991, Section 7-602.1, is amended to read as follows:

Section 7-602.1 Every operator of a motor vehicle registered in this state ~~shall~~, while operating or using such vehicle, shall carry either an operator's or an owner's security verification form issued by a carrier or an equivalent form issued by the Department of Public Safety, reflecting liability coverage. An owner's security verification form issued to the owner of a motor vehicle may be used as an operator's security verification form by an operator who is not the owner of the motor vehicle, if said operator is not excluded from coverage on the motor vehicle liability insurance policy for

the vehicle. Any such exclusions from said policy shall be included on the owner's security verification form.

SECTION 4. AMENDATORY 47 O.S. 1991, Section 7-605, as last amended by Section 9, Chapter 218, O.S.L. 1994 (47 O.S. Supp. 1995, Section 7-605), is amended to read as follows:

Section 7-605. A. Every owner or operator of a motor vehicle who operates the vehicle or permits it to be operated in this state when no security exists as required by this title, or any person who receives a deferred sentence, forfeits a bond or is convicted in any state or municipal court for failure to carry a security verification form, shall be subject to suspension of ~~his~~ driving privilege and registrations of any motor vehicle not covered by security. Such suspension shall remain in effect until payment of the fees provided for in Section 6-212 of this title, and proof of security is furnished to the Department which complies with the requirements of Section 7-601 of this title. Suspension under this section shall be effective upon the Department giving notice pursuant to Section 2-116 of this title that the owner or operator is without security. Any ~~suspended~~ person failing to voluntarily relinquish ~~his~~ the suspended driver license or registration to the Department within sixty (60) days of receipt of said notice shall pay a fee of Fifty Dollars (\$50.00) in addition to the fees provided for in Section 6-212 of this title. If a person furnishes proof to the satisfaction of the Department that security was in effect at the time of the alleged offense, the Department shall vacate the suspension order and shall not require the filing of a certificate of insurance nor either of the above fees.

B. The Department may rely upon an abstract which indicates a charge and the imposition of a deferred sentence pending compliance with the Compulsory Insurance Law, ~~Section 7-600 et seq. of this title,~~ or an abstract of conviction or a notice of bond forfeiture from any court of competent jurisdiction, which indicates that the

person was either convicted, or failed to appear upon a charge of failure to carry a security verification form or the lack of security, indicated by "No Security Form", "No Insurance" or other such term indicating lack of security. The Department may continue to rely on such abstract or notice unless proof is submitted from the issuing court clerk which indicates that the abstract or notice was issued in error, or was not related to a violation of the Compulsory Insurance Law or a security verification form as required by Chapter 7 of this title or by municipal ordinance.

C. If a nonresident's driving privilege or registration is suspended pursuant to subsection A of this section, the Department shall transmit a certified copy of the record of such action to the official or officials in charge of the issuance of licenses and registration certificates in the state in which such nonresident resides.

SECTION 5. This act shall become effective November 1, 1996.

45-2-8263

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