

SHORT TITLE: Motor vehicle insurance; relating to issuance of security verification forms; prohibiting issuance of forms prior to payment of premium and for period longer than paid-up coverage; effective date.

STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

SENATE BILL NO. 1165

By: Henry

AS INTRODUCED

An Act relating to motor vehicle insurance; amending 47 O.S. 1991, Sections 7-601.1 and 7-605 and 7-609, as last amended by Sections 9 and 10, Chapter 218, O.S.L. 1994 (47 O.S. Supp. 1995, Sections 7-605 and 7-609), which relate to issuance of security verification form and suspension of driving privilege and registration; prohibiting issuance of forms prior to payment of premium and for period longer than paid-up coverage; modifying and conforming procedures, penalties, and remedies by making certain provisions apply in case of certain suspension of driving privilege and registration; making exception; requiring seizure of driver license or license plates under certain circumstances; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 1991, Section 7-601.1, 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. No security verification form shall be supplied prior to payment of the required premium or issued for a period of time which exceeds the inclusive dates of the paid-up coverage.

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, and
 - (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, 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~~. No operator's security verification form shall be issued prior to payment of the required premium or issued for a period of time which exceeds the inclusive dates of the paid-up coverage. The security verification form shall contain 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 2. 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. 1. 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 or her 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 of Public Safety 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 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.~~

2. 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.~~

3. Except as provided in paragraph 2 of this subsection, the provisions of subsections B through K of Section 7-609 of this title shall apply in the case of a person whose driving privilege and registration have been suspended pursuant to the provisions of this section.

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 3. AMENDATORY 47 O.S. 1991, Section 7-609, as last amended by Section 10, Chapter 218, O.S.L. 1994 (47 O.S. Supp. 1995, Section 7-609), is amended to read as follows:

Section 7-609. A. In the event the owner fails to timely furnish proof of insurance or fails to timely respond to the Department's request as required by subsection D of Section 7-608 of this title, the Department of Public Safety shall suspend the person's driving privilege and the registration of any motor vehicle registered in the name of such person as owner and not covered by security, effective immediately upon the lapse of the thirty-day response period as provided in subsection D of Section 7-608 of this title. Such suspension shall remain in effect until payment of the fees provided for in Section 6-212 of this title and proof of insurance is presented to the Department. Provided, if the person is not an owner of any motor vehicle or if the motor vehicle in which the person has an ownership interest has been repossessed, or if the person proves by sworn affidavit or otherwise to the satisfaction of the Department that the request of the Department to provide proof of insurance was not received, proof of insurance and payment of the reinstatement fee shall not be required for reinstatement of the person's driving privilege.

B. Any person whose driving privilege and registration have been suspended pursuant to the provisions of subsection A of this section or of Section 7-605 of this title shall submit his or her driver license and license plate to the Department within thirty (30) days from the date of such suspension. Any owner failing to submit the driver license or license plate to the Department within such time shall pay a fee of Fifty Dollars (\$50.00) in addition to the fees provided for in Section 6-212 of this title.

C. Whenever any person's driving privilege or registration of any motor vehicle is suspended pursuant to this section or Section 7-605 of this title according to the records of the Department, the Department may accordingly notify any law enforcement agency, police officer, sheriff, deputy sheriff, highway patrol trooper or other peace officer of such suspension.

D. Any peace officer who has been notified that a person's driving privilege or registration of a motor vehicle is currently under suspension according to the records of the Department ~~may~~ shall, upon observing such person or motor vehicle anywhere upon a public street, highway, roadway, turnpike or public parking lot within this state, forthwith stop such person or motor vehicle and seize such person's driver license or license plate.

E. No person who has been issued a driver license, vehicle registration or vehicle license plate pursuant to the laws of this state shall obtain or retain a property interest therein and it shall be the duty of every person whose driving privilege or motor vehicle registration has been suspended to forthwith surrender such driver license or license plate upon the request of any peace officer or representative of the Department of Public Safety.

F. Any person upon a public street, highway, roadway, turnpike or public parking lot within this state who willfully refuses to

surrender possession of a driver license or license plate after being informed by a peace officer or representative of the Department of Public Safety that the driving privilege or motor vehicle registration of such person is currently under suspension according to the records of the Department, shall be guilty of a misdemeanor, punishable by imprisonment in the county jail for not more than ten (10) days or a fine not to exceed Five Hundred Dollars (\$500.00) or by both such fine and imprisonment.

G. Any driver license or license plate surrendered to or seized by a peace officer pursuant to this section shall be submitted to a representative of the Department of Public Safety in a manner and with a form or method approved by the Department.

H. Following receipt of the fifty-dollar fee collected pursuant to subsection B of this section, the Department shall deposit said fee in the office of the State Treasurer. The State Treasurer shall credit said fees into a special account to be distributed as hereinafter provided.

I. The Department shall certify to the State Treasurer the name of the employing law enforcement agency from which a suspended driver license or license plate has been received pursuant to this section, together with a certification that the fifty-dollar fee required by subsection B of this section has been paid. Following receipt of certification from the Department as provided herein, the State Treasurer shall reimburse the law enforcement agency named in the certificate the sum of Twenty-five Dollars (\$25.00) for each driver license and the sum of Twenty-five Dollars (\$25.00) for each vehicle registration plate as shown on the certificate, from the special account.

J. Any unencumbered monies remaining in said special account at the close of each calendar month shall be transferred to the General Revenue Fund of the State Treasury.

K. The State of Oklahoma, the departments and agencies thereof, including the Department of Public Safety, all political subdivisions, and the officers and employees of each, shall not be held legally liable in any suit in law or in equity for any erroneous entry of a suspension upon the records of the Department, nor for the enforcement of the provisions of this act performed in good faith.

SECTION 4. This act shall become effective November 1, 1996.

45-2-2201

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