

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

HOUSE BILL NO. 2859

By: Bonny

AS INTRODUCED

An Act relating to motor vehicles; amending 47 O.S. 1991, Section 7-204, which relates to security following accidents; amending 47 O.S. 1991, Sections 7-302, as amended by Section 3, Chapter 181, O.S.L. 1994, 7-316, 7-324, as amended by Section 12, Chapter 181, O.S.L. 1994 and 7-330 (47 O.S. Supp. 1997, Sections 7-302 and 7-324), which relate to proof of financial responsibility in the future; amending 47 O.S. 1991, Sections 8-101 and 8-104, which relate to financial responsibility for rental vehicles and taxicabs; raising minimum liability coverage requirements; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 1991, Section 7-204, is amended to read as follows:

Section 7-204. (a) No policy or bond issued or renewed on or after November 1, 1998, shall be effective under Section 7-203 of this title unless issued by an insurance company or surety company authorized to do business in this state, except as provided in subdivision (b) of this section, nor unless such policy or bond is

subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not less than ~~Twenty Thousand Dollars (\$20,000.00)~~ Forty Thousand Dollars (\$40,000.00) because of bodily injury to or death of two or more persons in any one accident, and if the accident has resulted in injury to or destruction of property to a limit of not less than ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) because of injury to or destruction of property of others in any one accident.

(b) No policy or bond shall be effective under Section 7-203 of this title with respect to any vehicle which was not registered in this state or was a vehicle which was registered elsewhere than in this state at the effective date of the policy or bond or the most recent renewal thereof, unless the insurance company or surety company issuing such policy or bond is authorized to do business in this state, or if said company is not authorized to do business in this state, unless it shall execute a power of attorney authorizing the Commissioner to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident.

(c) The Department may rely upon the accuracy of the information in a required report of an accident as to the existence of insurance or a bond unless and until the Department has reason to believe that the information is erroneous.

SECTION 2. AMENDATORY 47 O.S. 1991, Section 7-302, as amended by Section 3, Chapter 181, O.S.L. 1994 (47 O.S. Supp. 1997, Section 7-302), is amended to read as follows:

Section 7-302. The term "proof of financial responsibility" as used in this article shall mean: Proof of ability to respond in

damages for liability, on account of accidents occurring subsequent to the effective date of said proof, arising out of the ownership, maintenance or use of a vehicle of a type subject to registration under the laws of this state, ~~in.~~ Beginning November 1, 1998, for proof of financial responsibility in the form of deposit of money or securities the amount of on deposit shall be ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) because of bodily injury to or death of one person in any one accident, and, subject to said limit for one person, in the amount of ~~Twenty Thousand Dollars (\$20,000.00)~~ Forty Thousand Dollars (\$40,000.00) because of bodily injury to or death of two or more persons in any one accident, and in the amount of ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) because of injury to or destruction of property of others in any one accident. If the proof of financial responsibility is in the form of an insurance policy or bond, the amount of coverage under a policy or bond issued on or after November 1, 1998, shall be Forty Thousand Dollars (\$40,000.00) because of bodily injury to or death of two or more persons in any one accident, and in the amount of Twenty Thousand Dollars (\$20,000.00) because of injury to or destruction of property of others in any one accident. Wherever used in this title, the terms "proof of financial responsibility" or "proof" shall be synonymous.

SECTION 3. AMENDATORY 47 O.S. 1991, Section 7-316, is amended to read as follows:

Section 7-316. (a) ~~Judgments~~ Beginning November 1, 1998, judgements herein referred to shall, for the purpose of this chapter only, be deemed satisfied:

1. When ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident;

2. When, subject to such limit of ~~Ten Thousand Dollars~~
~~(\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) because of bodily
injury to or death of one person, the sum of ~~Twenty Thousand Dollars~~
~~(\$20,000.00)~~ Forty Thousand Dollars (\$40,000.00) has been credited
upon any judgment or judgments rendered in excess of that amount
because of bodily injury to or death of two or more persons as the
result of any one accident; or

3. When ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand
Dollars (\$20,000.00) has been credited upon any judgment or
judgments rendered in excess of that amount because of injury to or
destruction of property of others as a result of any one accident.

(b) Provided, however, payments made in settlements of any
claims because of bodily injury, death or property damage arising
from such accident shall be credited in reduction of the amounts
provided for in this section.

SECTION 4. AMENDATORY 47 O.S. 1991, Section 7-324, as
amended by Section 12, Chapter 181, O.S.L. 1994 (47 O.S. Supp. 1997,
Section 7-324), is amended to read as follows:

Section 7-324. (a) Certification. A "motor vehicle liability
policy" as the term is used in this article shall mean an "owner's
policy" or an "operator's policy" of liability insurance, certified
as provided in Section 7-321 or Section 7-322 of this title as proof
of financial responsibility, and issued, except as otherwise
provided in Section 7-322 of this title, by an insurance carrier
duly authorized to transact business in this state, to or for the
benefit of the person named therein as insured.

(b) Owner's policy. Such owner's policy of liability
insurance, issued or renewed on or after November 1, 1998:

1. Shall designate by explicit description or by appropriate
reference all vehicles with respect to which coverage is thereby to
be granted; and

2. Shall insure the person named therein and any other person except as herein provided, as insured, using any such vehicle or vehicles with the express or implied permission of such named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of such vehicle or vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such vehicle, as follows: ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, ~~Twenty Thousand Dollars (\$20,000.00)~~ Forty Thousand Dollars (\$40,000.00) because of bodily injury to or death of two or more persons in any one accident, and ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) because of injury to or destruction of property of others in any one accident.

3. May by agreement in a separate written endorsement between any named insured and the insurer exclude as insured any person or persons designated by name from coverage under the policy.

(c) Operator's policy. Such operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are set forth above with respect to an owner's policy of liability insurance.

(d) Required statements in policies. Such motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period and the limits of liability, and shall contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this chapter

as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this title.

(e) Policy need not insure workmen's compensation. Such motor vehicle liability policy need not insure any liability under any workmen's compensation law nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance or repair of any such vehicle nor any liability for damage to property owned by, rented to, in charge of or transported by the insured.

(f) Provisions incorporated in policy. Every motor vehicle liability policy shall be subject to the following provisions which need not be contained therein:

1. The liability of the insurance carrier with respect to the insurance required by this title shall become absolute whenever injury or damage covered by said motor vehicle liability policy occurs; said policy may not be canceled or annulled as to such liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage; no statement made by the insured or on his behalf and no violation of said policy shall defeat or void said policy.

2. The satisfaction by the insured of a judgment for such injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of such injury or damage.

3. The insurance carrier shall have the right to settle any claim covered by the policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in paragraph 2 of subsection (b) of this section.

4. The policy, the written application therefor, if any, and any rider or endorsement which does not conflict with the provisions

of this title shall constitute the entire contract between the parties.

(g) Excess or additional coverage. Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy and such excess or additional coverage shall not be subject to the provisions of this title. With respect to a policy which grants such excess or additional coverage, the term "motor vehicle liability policy" shall apply only to that part of the coverage which is required by this section.

(h) Reimbursement provision permitted. Any motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this title.

(i) Proration of insurance permitted. Any motor vehicle liability policy may provide for the prorating of the insurance thereunder with other valid and collectible insurance.

(j) Multiple policies. The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers which policies together meet such requirements.

(k) Binders. Any binder issued pending the issuance of a motor vehicle liability policy shall be deemed to fulfill the requirements for such a policy.

SECTION 5. AMENDATORY 47 O.S. 1991, Section 7-330, is amended to read as follows:

Section 7-330. ~~Proof~~ Beginning November 1, 1998, proof of financial responsibility may be evidenced by the certificate of the State Treasurer that the person named therein has deposited with him ~~Thirty Thousand Dollars (\$30,000.00)~~ Sixty Thousand Dollars (\$60,000.00) in cash, or securities such as may legally be purchased

by savings banks or for trust funds of a market value of ~~Thirty Thousand Dollars (\$30,000.00)~~ Sixty Thousand Dollars (\$60,000.00).

The State Treasurer shall not accept any such deposit and issue a certificate therefor and the Department shall not accept such certificate unless accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the county where the depositor resides.

SECTION 6. AMENDATORY 47 O.S. 1991, Section 8-101, is amended to read as follows:

Section 8-101. (a) It shall be unlawful for the owner of any motor vehicle engaged in the business of renting motor vehicles without drivers to rent a motor vehicle without a driver otherwise than as a part of a bona fide transaction involving the sale of such motor vehicle, unless he has previously notified the Department of the intention to so rent such vehicle and has given proof of financial responsibility, and the Tax Commission shall not register any such vehicle unless and until the owner gives proof of financial responsibility either as provided in this section or, in the alternative, as provided in Section 8-102 of this title. The Department shall cancel the registration of any motor vehicle rented without a driver whenever the Department ascertains that the owner has failed or is unable to give and maintain such proof of financial responsibility.

(b) Such owner shall submit to the Commissioner evidence that there has been issued to him by an insurance carrier authorized to do business in this state a public liability insurance policy or policies, issued or renewed on or after November 1, 1998, covering each such motor vehicle so rented in the amounts as hereinafter stated and insuring every person operating such vehicle under a rental agreement or operating the vehicle with the express or implied permission of the owner against loss from the liability imposed by law upon such person arising out of the operation of said

vehicle in the amount of Twenty Thousand Dollars (\$20,000.00) for bodily injury to or death of one person and, subject to said limit as respects bodily injury to or death of any one person, the amount of Forty Thousand Dollars (\$40,000.00) on account of bodily injury to or death of more than one person in any one accident and ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) for damage to property of others in any one accident. Provided, that the Commissioner is authorized to accept, in lieu of such public liability insurance policy covering specific vehicles, proof by evidence satisfactory to the Commissioner of a valid and binding lease contract between the owner and a renter wherein it is agreed between such owner and the lessee-renter that such lessee-renter accepts responsibility for loss from any liability imposed by law upon any person arising out of the operation, either by express or implied permission of the lessee-renter, of any vehicle covered by such lease in amounts not less than the minimum amounts before set out in this subsection, together with satisfactory evidence of issuance to such lessee-renter, by an insurance carrier authorized to do business in this state, proper public liability insurance policies in amounts of not less than the minimum amounts before set out in this subsection or sufficient showing of financial responsibility of such lessee-renter as is required of owners by the provisions of Section 8-102 of this title.

(c) The owner shall maintain such policy or policies in full force and effect during all times that he is engaged in the business of renting any motor vehicle without a driver unless said owner shall have given proof of financial responsibility as provided in Section 8-102 of this title.

(d) Said policy or policies need not cover any liability incurred by the renter of any vehicle to any passenger in such vehicle.

(e) When any suit or action is brought against the owner of a for-rent motor vehicle upon a liability under this title, it shall be the duty of the judge of the court before whom the case is pending to cause a preliminary hearing to be had, in the absence of the jury, for the purpose of determining whether the owner has obtained and there is in full force and effect, a policy or policies of insurance covering the person operating the vehicle under a rental agreement, in the limits above mentioned. When it appears that the owner has obtained such policy or policies and that the same are in full force and effect, the judge or magistrate before whom such action is pending shall dismiss the action as to the owner of the motor vehicle.

(f) Whenever the owner of a motor vehicle rents such vehicle without a driver to another, it shall be unlawful for the latter to permit any other person to operate such vehicle without the permission of the owner.

(g) Any person who violates any of the provisions of this section shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Five Hundred Dollars (\$500.00) or by imprisonment in the county jail for not more than six (6) months, or by both such fine and imprisonment.

SECTION 7. AMENDATORY 47 O.S. 1991, Section 8-104, is amended to read as follows:

Section 8-104. (a) Every person, firm or corporation engaged in the business of operating a taxicab or taxicabs within a municipality shall file with the governing board of the municipality in which such business is operated proof of financial responsibility as hereinafter defined.

No governing board of a municipality shall hereafter issue any certificate of convenience and necessity, franchise, license permit or other privilege or authority to any person, firm or corporation authorizing such person, firm or corporation to engage in the

business of operating a taxicab or taxicabs within the municipality unless such person, firm or corporation first files with the governing board proof of financial responsibility as hereinafter defined.

Every person, firm or corporation engaging in the business of operating a taxicab or taxicabs without the corporate city limits of a municipality or municipalities shall file with the Department of Public Safety, Financial Responsibility Division, of the state, proof of financial responsibility as hereinafter defined.

No person, firm or corporation shall hereafter engage in the business of operating a taxicab or taxicabs without the corporate city limits of a municipality or municipalities in the state unless such person, firm or corporation first files with the Department of Public Safety proof of financial responsibility as hereinafter defined.

(b) As used in this section, proof of financial responsibility shall mean a certificate of any insurance carrier authorized to do business in the state, issued or renewed on or after November 1, 1998, certifying that there is in effect a policy of liability insurance insuring the owner and operator of the taxicab business, his agents and employees while in the performance of their duties against loss from any liability imposed by law for damages including damages for care and loss of services because of bodily injury to or death of any person and injury to or destruction of property caused by accident and arising out of the ownership, use or operation of such taxicab or taxicabs, subject to minimum limits, exclusive of interest and cost, with respect to each such motor vehicle as follows: ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, ~~Twenty Thousand Dollars (\$20,000.00)~~ Forty Thousand Dollars (\$40,000.00) because of bodily injury to or death of two or more persons in any

one accident, and ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty Thousand Dollars (\$20,000.00) because of injury to or destruction of property of others in any one accident.

(c) For every person, firm or corporation who engages in the taxicab business without the corporate limits of a municipality or municipalities proof of financial responsibility may be evidenced by the bond of an insurance carrier duly authorized to do business within the state, or a bond with at least two individual sureties each owning real estate within this state, and together having equities equal in value to at least twice the amount of such bond, which real estate shall be conditioned for payment of the amounts specified in subsection (b) of this section. Such bond shall be filed with the Department of Public Safety and shall not be cancelable except after ten (10) days' written notice to the Commissioner. Such bond shall constitute a lien in favor of the state upon the real estate so scheduled of any surety, which lien shall exist in favor of any holder of a final judgment against the person who has filed such bond, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, resulting from the ownership, maintenance, use or operation of a motor vehicle after such bond was filed, upon the filing of notice to that effect by the Commissioner in the office of county clerk of the county where such real estate shall be located.

If such a judgment rendered against the principal on such bond shall not be satisfied within thirty (30) days after it has become final, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action or actions in the name of the state against the company or persons executing such bond, including an action or proceeding to foreclose any lien that may exist upon the real estate of a person who has executed such bonds.

(d) 1. Proof of financial responsibility may be evidenced by the certificate of the State Treasurer that the person named therein has deposited with ~~him Thirty Thousand Dollars (\$30,000.00)~~ the State Treasurer Sixty Thousand Dollars (\$60,000.00) in cash or securities such as may legally be purchased by savings banks or for trust funds of a market value of ~~Thirty Thousand Dollars (\$30,000.00)~~ Sixty Thousand Dollars (\$60,000.00). The State Treasurer shall not accept any such deposit and issue a certificate therefor and the Commissioner shall not accept such certificate unless accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the county where the depositor resides. The ~~Thirty Thousand Dollars (\$30,000.00)~~ Sixty Thousand Dollars (\$60,000.00) paid to the State Treasurer pursuant to this provision shall be per sole proprietor, firm or corporation engaged in the business of operating a taxicab or taxicabs.

2. Such deposit shall be held by the State Treasurer to satisfy, in accordance with the provisions of this act, any execution on a judgment issued against such person making the deposit, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, resulting from the ownership, maintenance, use or operation of a motor vehicle after such deposit was made. Money or securities so deposited shall not be subject to attachment or execution unless such attachment or execution shall arise out of a suit for damages as aforesaid.

SECTION 8. This act shall become effective November 1, 1998.

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