

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

SENATE BILL 1153

By: Fair

AS INTRODUCED

An Act relating to motor vehicles; amending 47 O.S. 1991, Sections 7-204, 7-302, as amended by Section 3, Chapter 181, O.S.L. 1994, 7-316, 7-324, as amended by Section 11, Chapter 181, O.S.L. 1994, 7-330, as amended by Section 3, Chapter 85, O.S.L. 1998, 8-101, 8-104, as amended by Section 5, Chapter 85, O.S.L. 1998, and 425 (47 O.S. Supp. 1999, Sections 7-302, 7-324, 7-330, 8-104), which relate to financial responsibility for operation of motor vehicles, owners of for-rent vehicles, and itinerant merchants; modifying and updating statutory references; clarifying language; increasing minimum liability limits for policies covering commercial and business uses of motor vehicles; modifying definitions; increasing requirements for satisfaction of certain judgments involving commercial and business uses of motor vehicles for certain purposes; increasing amount of required deposit for proof of financial responsibility; increasing minimum liability limits for policies covering for-rent vehicles; increasing minimum liability limits for policies for taxicabs; increasing minimum liability limits for policies for itinerant merchants; and amending 70 O.S. 1991, Section 1210.43, which relates to insurance for vocational and area school vehicles; increasing minimum liability limits for policies covering vocational and area school vehicles; 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)~~ A. No policy or bond 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)~~ subsection B of this section, nor unless ~~such~~ the policy or bond is subject, ~~if the accident has resulted in bodily injury or death,~~ to a limit limits, exclusive of interest and costs, ~~of~~ in the following amounts:

1. For policies covering only personal and household uses of a vehicle, not less than Ten Thousand Dollars (\$10,000.00) because of bodily injury to or death of one person in any one accident and, subject to ~~said~~ the limit for one person, to a limit of not less than Twenty Thousand Dollars (\$20,000.00) 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) because of injury to or destruction of property of others in any one accident.

2. For policies covering commercial and business uses, not less than Twenty-five Thousand Dollars (\$25,000.00) because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, to a limit of not less than Fifty Thousand Dollars (\$50,000.00) because of bodily injury to or death of two or more persons in any one accident, and not less than Twenty-five Thousand Dollars (\$25,000.00) because of injury to or destruction of property of others in any one accident.

~~(b)~~ 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~~ the policy or bond is authorized to do business in this state, or if ~~said~~ the 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~~ the policy or bond arising out of ~~such~~ an accident.

~~(c)~~ 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. 1998, Section 7-302), is amended to read as follows:

Section 7-302. A. 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 the~~ 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 the ~~amount of~~ following amounts, exclusive of interest and costs:

1. For personal and household uses of a vehicle, not less than Ten Thousand Dollars (\$10,000.00) because of bodily injury to or death of one person in any one accident, and, subject to ~~said the~~ limit for one person, in the amount of not less than Twenty Thousand Dollars (\$20,000.00) because of bodily injury to or death of two or more persons in any one accident, and in the amount of not less than Ten Thousand Dollars (\$10,000.00) because of injury to or destruction of property of others in any one accident; and

2. For commercial and business uses of a vehicle, not less than Twenty-five Thousand Dollars (\$25,000.00) because of bodily injury to or death of one person in any one accident, and, subject to the limit for one person, to a limit of not less than Fifty Thousand Dollars (\$50,000.00) because of bodily injury to or death of two or more persons in any one accident, and not less than Twenty-five Thousand Dollars (\$25,000.00) because of injury to or destruction of property of others in any one accident.

B. 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)~~ A. Judgments herein referred to shall, for the purpose of this chapter only, be deemed satisfied:

1. ~~When~~ a. For judgments involving only personal or household uses of a vehicle, when Ten Thousand Dollars (\$10,000.00) 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, ~~and~~ or

b. For judgments involving commercial or business uses of a vehicle, when Twenty-five Thousand Dollars (\$25,000.00) 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~~ a. For judgments involving only personal or household uses of a vehicle, when, subject to ~~such~~ the limit of Ten Thousand Dollars (\$10,000.00) set in subparagraph a of paragraph 1 of this subsection because of bodily injury to or death of one person, the sum of 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 two or more persons as the result of any one accident, or

b. For judgments involving commercial or business uses of a vehicle, when, subject to the limit of Twenty-five Thousand Dollars (\$25,000.00) set in subparagraph b of paragraph 1 of this subsection because of bodily injury to or death of one person, the sum of Fifty Thousand Dollars (\$50,000.00) 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~~ a. For judgments involving only personal or household uses of a vehicle, when Ten Thousand Dollars (\$10,000.00) 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, or

b. For judgments involving commercial or business uses of a vehicle, when Twenty-five Thousand Dollars (\$25,000.00) 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~~ B. Payments made in ~~settlements~~ settlement of any ~~claims~~ claim because of bodily injury, death, or property damage arising from ~~such an~~ an accident shall be credited ~~in~~ to reduction of the amounts provided for in this section.

SECTION 4. AMENDATORY 47 O.S. 1991, Section 7-324, as amended by Section 11, Chapter 181, O.S.L. 1994 (47 O.S. Supp. 1999, Section 7-324), is amended to read as follows:

Section 7-324. ~~(a) A.~~ A. Certification. ~~A~~ As used in this article, "motor vehicle liability policy" as the term is used in this article shall mean means 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) B.~~ B. Owner's policy. ~~Such~~ An owner's policy of liability insurance:

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~~ designated vehicle or vehicles with the express or implied permission of ~~such~~ the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of ~~such~~ the 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:

- a. for policies covering only personal and household uses of a vehicle, not less than Ten Thousand Dollars (\$10,000.00) because of bodily injury to or death of one person in any one accident, and, subject to said the limit for one person not less than, Twenty Thousand Dollars (\$20,000.00) because of bodily injury to or death of two or more persons in any one accident, and not less than Ten Thousand Dollars (\$10,000.00) because of injury to or destruction of property of others in any one accident, or
- b. for policies covering commercial and business uses of a vehicle, not less than Twenty-five Thousand Dollars (\$25,000.00) because of bodily injury to or death of one person in any one accident, and, subject to the limit for one person, not less than Fifty Thousand Dollars (\$50,000.00) because of bodily injury to or death of two or more persons in any one accident, and not less than Twenty-five Thousand Dollars (\$25,000.00) 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)~~ C. Operator's policy. ~~Such~~ An operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon ~~him~~ the insured by law for damages arising out of the use by ~~him~~ the insured of any motor vehicle not owned by ~~him~~ the insured, 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)~~ D. Required statements in policies. ~~Such~~ A 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~~ endorsement that insurance is provided ~~thereunder~~ in accordance with the coverage defined in this chapter ~~as respects~~ for bodily injury and death or property damage, or both, and is subject to all of the provisions of this title.

~~(e)~~ E. Policy need not insure ~~workmen's~~ workers' compensation. ~~Such~~ A motor vehicle liability policy need not insure any liability under any ~~workmen's~~ workers' 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~~ the vehicle nor any liability for damage to property owned by, rented to, in charge of, or transported by the insured.

~~(f)~~ 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~~ the motor vehicle liability policy occurs; ~~said~~ liability under the 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 of the insured and no violation of ~~said~~ the policy shall defeat or void ~~said~~ the 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~~ the injury or damage.

3. The insurance carrier shall have the right to settle any claim covered by the policy, and if ~~such~~ the settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in paragraph 2 of subsection ~~(b)~~ 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)~~ 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~~ the excess or additional coverage shall not be subject to the provisions of this title. With respect to a policy which grants ~~such~~ the 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)~~ 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)~~ 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)~~ 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~~ these requirements.

~~(k)~~ 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, as amended by Section 3, Chapter 85, O.S.L. 1998 (47 O.S. Supp. 1999, Section 7-330), is amended to read as follows:

Section 7-330. ~~Proof~~ A. 1. For deposits covering only personal and household uses of a vehicle, proof of financial responsibility may be evidenced by the certificate of the Department of Public Safety that the person named therein has deposited with the Department Thirty Thousand Dollars (\$30,000.00) in cash, or a certificate of deposit issued by a financial institution located in ~~Oklahoma~~ this state in an amount of at least Thirty Thousand Dollars (\$30,000.00).

2. For deposits covering commercial and business uses, proof of financial responsibility may be evidenced by the certificate of the Department of Public Safety that the person named therein has deposited with the Department Fifty Thousand Dollars (\$50,000.00) in cash, or a certificate of deposit issued by a financial institution located in this state in an amount of at least Fifty Thousand Dollars (\$50,000.00).

B. The Department shall deposit any cash it receives ~~for this purpose~~ pursuant to this section in a special account of the Department which shall be held in escrow until necessary to pay judgments as described in Section 7-331 of this title. The Department shall obtain a written acknowledgment from any financial institution issuing a certificate of deposit which is used for the purpose of this section, showing the certificate of deposit has been pledged to the Department for this purpose. The Department shall not accept ~~any such~~ a deposit and issue a certificate therefor and the Department shall not accept ~~such~~ a 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)~~ 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~~ the motor vehicle, unless ~~he has previously notified~~ has been previously notified the Department of the intention to ~~se~~ rent ~~such~~ the 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)~~ B. The owner shall submit to the Commissioner evidence that there has been issued to ~~him~~ the owner by an insurance carrier authorized to do business in this state, a public liability insurance policy or policies covering each ~~such~~ motor vehicle ~~se~~ rented which is available for rent in the amounts as hereinafter stated and insuring every person operating ~~such~~ a 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~~ the person arising out of the operation of ~~said~~ the vehicle in the amount, exclusive of interest and costs, of ~~Twenty Thousand Dollars (\$20,000.00)~~ Twenty-five Thousand Dollars (\$25,000.00) for bodily injury to or death of one person in any one accident, and, subject to ~~said~~ the limit ~~as respects bodily injury to or death of any~~ for one person, the amount of ~~Forty Thousand~~

~~Dollars (\$40,000.00)~~ Fifty Thousand Dollars (\$50,000.00) 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-five Thousand Dollars (\$25,000.00) for damage to property of others in any one accident. ~~Provided, that the~~ The Commissioner of Public Safety is authorized to accept, in lieu of ~~such a~~ 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 lessee-renter wherein it is agreed between ~~such the~~ owner and the lessee-renter that ~~such the~~ 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 the~~ lease in amounts not less than the minimum amounts ~~before set out in~~ required by this subsection, together with satisfactory evidence of issuance to ~~such the~~ 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~~ required by this subsection or sufficient showing of financial responsibility of ~~such the~~ lessee-renter as is required of owners by the provisions of Section 8-102 of this title.

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

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

~~(e)~~ 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~~ with limits of liability at least equal to those specified in subsection B of this section. 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~~ the action is pending shall dismiss the action as to the owner of the motor vehicle.

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

~~(g)~~ 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, as amended by Section 5, Chapter 85, O.S.L. 1998 (47 O.S. Supp. 1998, Section 8-104), is amended to read as follows:

Section 8-104. ~~(a)~~ A. 1. Every person, firm, ~~or~~ corporation, or other legal entity engaged in the business of operating a taxicab or taxicabs within a municipality shall file with the governing ~~board~~ body of the municipality in which ~~such~~ the business is operated proof of financial responsibility as hereinafter defined.

2. No governing ~~board~~ body 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, or other legal entity authorizing ~~such~~ the person, firm, ~~or~~ corporation, or other legal entity to engage in the

business of operating a taxicab or taxicabs within the municipality unless ~~such~~ the person, firm, ~~or~~ corporation, or other legal entity first files with the governing ~~board~~ body proof of financial responsibility as ~~hereinafter~~ defined in subsection B of this section.

3. Every person, firm or corporation engaging in the business of operating a taxicab or taxicabs ~~without~~ outside the corporate city limits of a municipality or municipalities shall file with the Department of Public Safety, Financial Responsibility Division, of ~~the~~ this state, proof of financial responsibility as ~~hereinafter~~ defined in subsections B, C and D of this section.

4. No person, firm, ~~or~~ corporation, or other legal entity shall hereafter engage in the business of operating a taxicab or taxicabs ~~without~~ outside the corporate city limits of a municipality or municipalities in ~~the~~ this state unless ~~such~~ the person, firm, ~~or~~ corporation, or other legal entity first files with the Department of Public Safety proof of financial responsibility as ~~hereinafter~~ defined in subsection B of this section.

~~(b)~~ B. As used in this section, proof of financial responsibility shall mean a certificate of any insurance carrier authorized to do business in ~~the~~ this state certifying that there is in effect a policy of liability insurance insuring the owner and operator of the taxicab business, ~~his~~ and any 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~~ the 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-five Thousand Dollars (\$25,000.00) because of bodily injury to or death of one person in

any one accident, and, subject to ~~said~~ the limit for one person, ~~Twenty Thousand Dollars (\$20,000.00)~~ Fifty Thousand Dollars (\$50,000.00) because of bodily injury to or death of two or more persons in any one accident, and ~~Ten Thousand Dollars (\$10,000.00)~~ Twenty-five Thousand Dollars (\$25,000.00) because of injury to or destruction of property of others in any one accident.

~~(e)~~ C. For every person, firm, ~~or~~ corporation, or other legal entity who engages in the taxicab business ~~without~~ outside 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~~ this 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~~ the bond, which real estate shall be conditioned for payment of the amounts specified in subsection ~~(b)~~ B of this section. ~~Such~~ The 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 of Public Safety. ~~Such~~ The bond shall constitute a lien in favor of the state upon the real estate ~~so scheduled of any surety pledged,~~ which lien shall exist in favor of any holder of a final judgment against the person who has filed ~~such~~ the 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~~ the bond was filed, upon the filing of notice to that effect by the Commissioner in the office of the county clerk of the county where ~~such~~ the real estate ~~shall be~~ is located.

If ~~such~~ a judgment rendered against the principal on ~~such~~ the bond ~~shall not be~~ is not 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 the~~ the bond, including an action or proceeding to foreclose any lien that may exist upon the real estate of a person who has executed ~~such the~~ the bond or bonds.

~~(d)~~ D. 1. Proof of financial responsibility may be evidenced by the certificate of the Department that the person named therein has deposited with the Department ~~Thirty Thousand Dollars~~ ~~(\$30,000.00)~~ Fifty Thousand Dollars (\$50,000.00) in cash or a certificate of deposit issued by a financial institution located in ~~Oklahoma~~ this state in an amount of at least ~~Thirty Thousand Dollars~~ ~~(\$30,000.00)~~ Fifty Thousand Dollars (\$50,000.00). The Department shall deposit any cash it receives for this purpose in a special account of the Department which shall be held in escrow until necessary to pay judgments as described in paragraph 2 of this subsection. The Department shall obtain a written acknowledgment from any financial institution issuing a certificate of deposit which is used for the purpose of this section, showing the certificate of deposit has been pledged to the Department for this purpose. The Department shall not accept any such deposit and issue a certificate therefor 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-dollar~~ fifty-thousand-dollar deposit paid to the Department pursuant to this provision shall be per sole proprietor, firm, or ~~or~~ corporation, or other legal entity engaged in the business of operating a taxicab or taxicabs.

2. ~~Such~~ A deposit shall be held by the Department to satisfy, in accordance with the provisions of this act, any execution on a judgment issued against ~~such the~~ the 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~~ the deposit was made. Money or securities so deposited shall not be subject to attachment or execution unless ~~such~~ the attachment or execution shall arise out of a suit for damages as ~~aforsaid~~ provided in this section.

SECTION 8. AMENDATORY 47 O.S. 1991, Section 425, is amended to read as follows:

Section 425. ~~(a)~~ A. No license shall be issued by the Oklahoma Tax Commission until the applicant shall have filed with each application, and the same shall have been approved by the Commission, the following insurance policies and bonds issued by an insurance carrier or bonding company authorized to do business ~~within~~ in this state. In lieu of such policies, the applicant may file the written certificate or certificates of any insurance carrier duly authorized to do business in this state, certifying that it has issued to, or for the benefit of, the applicant, named as the insured therein, a policy or policies meeting the requirements of this section as hereinafter provided, and that ~~said~~ the policy or policies are then in full force and effect. ~~Such~~ The certificate or certificates shall give the dates of issuance and expiration of ~~such~~ the policy or policies, and shall designate by explicit designation or by appropriate reference all motor vehicles covered thereby.

~~(1)~~ 1. A bond in the penal sum of Five Hundred Dollars (\$500.00) in ~~such~~ a form as may be prescribed by the Commission for the purpose of protecting the public against fraud, conditioned upon the delivery of correct weights, measures, footage, or grades, if the commodities handled by the itinerant merchant are those customarily sold by weights, measures, footage, or grades, accurate representation as to quality or class of such commodities, the actual payment of checks, drafts, or other obligations delivered by

the itinerant merchant in exchange for the purchase of commodities, and conditioned to pay any judgment or judgments that may be obtained against the itinerant merchant for civil liability arising out of the conduct of ~~his~~ the business, and further providing for the prompt payment of license fees and taxes to this state or any governmental subdivision thereof, including the matters hereinbefore specified in this paragraph, but not including any causes of action covered by the insurance policies described in paragraph ~~(2)~~ 2 of this subsection. ~~Said~~ The bond shall further provide that any person dealing with ~~said~~ the itinerant merchant, any person using the commodities handled by ~~him~~ the itinerant merchant, and any person holding checks, drafts, or other obligations, shall have a cause of action upon ~~said~~ the bond by reason of any violation of the terms of ~~said~~ the bond with respect to such dealing, said commodities, or said checks, drafts, or other obligations.

~~(2)~~ 2. A liability insurance policy or bond which shall bind the obligors to pay compensation for injuries to persons and damage to property resulting from the negligent operation of the motor vehicle operated under authority of the itinerant merchant's license, ~~said policy or bond to be conditioned to pay any sum up to Five Thousand Dollars (\$5,000.00) in the amount, exclusive of interest and costs, of Twenty-five Thousand Dollars (\$25,000.00) for personal injury to or death of one individual person in any one accident, and up to Ten Thousand Dollars (\$10,000.00) for personal injuries or deaths resulting from any single accident Fifty Thousand Dollars (\$50,000.00) because of bodily injury to or death or two or more persons in any one accident, and up to One Thousand Dollars (\$1,000.00) in the amount of Twenty-five Thousand Dollars (\$25,000.00) for damage to property in any single one accident.~~

~~(b)~~ B. Every insurance policy and bond or certificate thereof filed with the Tax Commission under the provisions of ~~this act~~ Section 421 et seq. of this title shall contain an endorsement or

provision that the same shall not be cancelled by the obligor, shall not expire, and shall not become reduced in amount, until thirty (30) days after notice by registered United States mail has been sent to the Tax Commission of the intention to cancel the same, or that the same is to expire or is to be reduced in amount. Upon receipt of ~~such~~ this notice the Tax Commission shall immediately notify the itinerant merchant by registered United States mail, return receipt requested, of the receipt of ~~such~~ the notice, and shall advise ~~him~~ the itinerant merchant that unless a new insurance policy or bond is filed to replace the one to be canceled, or to expire, or to be reduced in amount, prior to the time such cancellation, expiration, or reduction becomes effective, the license of ~~such~~ the itinerant merchant in connection with which ~~said~~ the policy or bond was issued shall be revoked at the time such cancellation, expiration, or reduction becomes effective. If a new policy or bond is not filed or the amount of the reduction restored prior to the time such cancellation, expiration or reduction becomes effective, the Commission must revoke ~~said~~ the license ~~at said time,~~ and the licensee shall return the license and license plate to the Commission.

~~(e)~~ C. Any person having a cause of action against the itinerant merchant arising out of the matters described in paragraphs ~~(1)~~ 1 and ~~(2)~~ 2 of subsection ~~(a)~~ A of this section may join ~~said~~ the itinerant merchant and the surety on ~~his~~ the bond in the same action, or may sue ~~said~~ the surety without joining ~~said~~ the itinerant merchant in the action if the itinerant merchant is deceased or if it is impossible to obtain jurisdiction ~~of his person~~ within the state where the cause of action arose.

SECTION 9. AMENDATORY 70 O.S. 1991, Section 1210.43, is amended to read as follows:

Section 1210.43 A. In the event ~~the~~ a vehicle subject to Section 1210.41 et. seq. of this title is loaned, the board of

education shall provide insurance, by securing a policy from an insurance company authorized to do business in this state, with limits, exclusive of interest and costs, of not less than ~~Five Thousand Dollars (\$5,000.00)~~ Twenty-five Thousand Dollars (\$25,000.00) because of bodily injury to or death of one person in any one accident, and, subject to ~~said~~ the limit for one person, to a limit of not less than ~~Ten Thousand Dollars (\$10,000.00)~~ Fifty Thousand Dollars (\$50,000.00) 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 ~~Five Thousand Dollars (\$5,000.00)~~ Twenty-five Thousand Dollars (\$25,000.00) because of injury to or destruction of property of others in any one accident, to cover ~~such~~ the motor vehicle and its use while in ~~it's~~ the board's possession or control, and the owner ~~so furnishing same~~ shall not be liable for any personal injury or property damage resulting from the use of ~~any such~~ the motor vehicle while in the possession of the board of education, its officials, employees, or students.

B. The use of ~~such~~ motor vehicles for the purposes stated in Section ~~4~~ 1210.41 of this title by vocational and technical schools or area school districts is declared to be a public governmental function and no action for damages shall be brought against such schools or school districts or the boards of education thereof and the amount of damages, if any, recoverable against and collectible from ~~such~~ the insurer may be determined in an action brought against ~~said~~ the insurance company and shall be limited to the amount provided in the insurance contract.

SECTION 10. This act shall become effective September 1, 2000.