STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

HOUSE BILL HB1193 By: Pope (Clay)

AS INTRODUCED

An Act relating to the Compulsory Insurance Law; amending 47 O.S. 1991, Section 7-601, as amended by Section 1, Chapter 301, O.S.L. 1993 (47 O.S. Supp. 2000, Section 7-601), which relates to motor vehicle liability insurance requirements; requiring secured parties to maintain security for payment of liability in 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, as amended by Section 1, Chapter 301, O.S.L. 1993 (47 O.S. Supp. 2000, 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 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. 1. On and after September 1, 1993, 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.

<u>D. Beginning November 1, 2001, any secured party that has authority to take possession of a motor vehicle, which is collateral for a secured transaction, shall maintain in force, security for the</u>

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, if:

1. The debtor defaults on payments;

2. The secured party allows the debtor to retain possession of the vehicle; and

3. The debtor fails to maintain the security for liability required by law.

SECTION 2. This act shall become effective November 1, 2001.

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