

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

HOUSE BILL HB1900

By: Hastings

AS INTRODUCED

An Act relating to insurance; amending 47 O.S. 1991, Sections 7-204, 7-302, as amended by Section 3, Chapter 181, O.S.L. 1994 and 7-324, as amended by Section 11, Chapter 181, O.S.L. 1994 (47 O.S. Supp. 2000, Sections 7-302 and 7-324), which relate to policy, bond and financial responsibility requirements for motor vehicle liability insurance; increasing coverage requirements; providing time for increase in coverage requirements to take effect; providing for noncodification; 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 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~~ subsection (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-five Thousand Dollars (\$25,000.00) 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)~~ 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 ~~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.

(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. 2000, 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 the amount of ~~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 limit for one person, in the amount of ~~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 in the amount of ~~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. Wherever used in this title, the terms "proof of financial responsibility" or "proof" shall be synonymous.

SECTION 3. AMENDATORY 47 O.S. 1991, Section 7-324, as amended by Section 11, Chapter 181, O.S.L. 1994 (47 O.S. Supp. 2000, 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:

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-five Thousand Dollars (\$25,000.00) 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)~~ 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.

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~~ the person of any motor vehicle not owned by ~~him~~ the person, 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~~ worker's compensation. Such motor vehicle liability policy need not insure any liability under any ~~workmen's~~ worker'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 of the insured 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 4. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The increased amounts of liability insurance coverage provided for in this act shall be required for all motor vehicle liability policies issued or renewed on or after January 1, 2002.

SECTION 5. This act shall become effective January 1, 2002.

48-1-5182 SD 6/12/15