

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

SENATE BILL 20

By: Milacek

AS INTRODUCED

An Act relating to motor vehicles; amending Section 10, Chapter 143, O.S.L. 1995 (47 O.S. Supp. 2000, Section 230.30), which relates to requirements for insurance or bond for motor carriers; clarifying language; prohibiting action against insurer or bond issuer until after judgment against motor carrier; stating construction against joint liability; expanding information which may be required from insurer; and providing an effective date.

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

SECTION 1. AMENDATORY Section 10, Chapter 143, O.S.L. 1995 (47 O.S. Supp. 2000, Section 230.30), is amended to read as follows:

Section 230.30 A. No license shall be issued by the Corporation Commission to any carrier until after the carrier shall have filed with the Commission a liability insurance policy or bond covering public liability and property damage, issued by ~~some~~ an insurance or bonding company or insurance carrier authorized pursuant to this section and which has complied with all of the requirements of the Commission, which bond or policy shall be approved by the Commission, and shall be in a sum and amount as fixed by a proper order of the Commission; and the liability and property damage insurance policy or bond shall bind the obligor thereunder to make compensation for injuries to, or death of, persons, and loss or damage to property, resulting from the operation of any carrier for which the carrier is legally liable. A copy of the policy or bond shall be filed with the Commission, ~~and~~.

Only after judgment is secured against the carrier for any damage,
may the injured party may maintain an action upon the policy or bond
to recover the same, and shall be a proper party to maintain such
action judgment which was obtained against the motor carrier. In no
event shall this section give rise to joint liability between the
motor carrier and its insurer or bond holder, and no action shall
lie against the insurer or bond issuer until such time as judgment
is first obtained against the motor carrier.

B. Every motor carrier shall file with the Commission a cargo insurance policy or bond covering any goods or property being transported, which is issued by ~~some~~ an insurance or bonding company or insurance carrier authorized as set forth below, ~~and~~ ~~which has~~ ~~complied~~ complies with all of the requirements of the Commission, which bond or policy ~~shall be~~ is approved by the Commission, and ~~shall be in a sum and~~ which is in an amount ~~as~~ fixed by a ~~proper~~ an order of the Commission. The cargo insurance must be filed with the Commission prior to a license being issued by the Commission, unless the motor carrier has been exempted from this requirement.

Intrastate motor carriers of sand, rock, gravel, asphaltic mixtures or other similar road building materials shall not be required to file cargo insurance and shall be required to maintain liability insurance limits of Three Hundred Fifty Thousand Dollars (\$350,000.00) combined single limit.

No carrier, whose principal place of business is in ~~Oklahoma~~ this state, shall conduct any operations in this state unless the operations are covered by a valid primary bond or insurance policy issued by a provider authorized or approved by the State Insurance Commissioner. No carrier shall conduct any operations in this state unless the operations are covered by a valid bond or insurance policy issued by a provider authorized and approved by a National Association of Insurance Commissioners and certified by the State Insurance Commission.

C. Each carrier shall maintain on file, in full force, all insurance required by the laws of this state and the rules of the Commission during the operation of the carrier, and ~~that~~ the failure for any cause to maintain the coverage in full force and effect shall immediately, without any notice from the Commission, suspend the rights of the carrier to operate until proper insurance is provided. Any carrier suspended for failure to maintain proper insurance shall have a reasonable time, not exceeding sixty (60) days, to have its license reactivated, and to provide proper insurance upon showing:

1. No operation during the period in which it did not have insurance; and

2. Furnishing of proper insurance coverage.

D. Any carrier who fails to reactivate its license within sixty (60) days after the suspension, as above provided, shall have the license canceled, by operation of law, without any notice from the Commission. No license so canceled shall be reinstated or otherwise made operative except that the Commission may reinstate the license of a carrier upon proper showing that the carrier was actually covered by proper insurance during the suspension or cancellation period, and that failure to file with the Commission was not due to the negligence of the carrier. Any carrier desiring to file for reinstatement of its license shall do so within ninety (90) days of its cancellation by law.

E. The Commission shall, in its discretion, permit the filing of certificates of insurance coverage or such form as may be prescribed by the Commission, in lieu of copies of insurance policies or bonds, ~~with the proviso;~~ provided, that if the certificates are authorized, the insurance company or carrier so filing it, upon request of the Commission, will, at any time, furnish an authenticated copy of the policy which the certificate represents, and further provided, that thirty (30) days prior to

effective cancellation or termination of the policy of insurance for any cause, the insurer shall ~~se~~ notify the Commission in writing of the facts or other information as deemed necessary by the Commission.

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

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