

STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

HOUSE BILL HB1813:

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AS INTRODUCED

An Act relating to motor vehicles; amending 47 O.S. 2001, Sections 7-600, 7-601, 7-601.1, 7-602 and 7-609, which relate to the Compulsory Insurance Law; modifying definition; modifying security requirements; providing for security based on an operator's security verification; providing for operator's security verification for more than one vehicle; providing required warning; modifying proof of insurance requirements; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2001, Section 7-600, is amended to read as follows:

Section 7-600. As used in Section 7-600 et seq. of this title:

1. "Owner's policy". An owner's policy of liability insurance:
 - a. shall designate by explicit description or by appropriate reference all vehicles with respect to which coverage is thereby to be granted,
 - b. shall insure the person named therein and insure any other person, except as provided in subparagraph c of this paragraph, using an insured vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, operation or use of such vehicle,
 - c. may provide for exclusions from coverage in accordance with existing laws, ~~and~~

- d. shall be issued by an authorized carrier providing coverage in accordance with Section 7-204 of this title, and
- e. shall only be applicable if the insurance policy covers other types of insurance not required by the Compulsory Insurance Law, such as collision, comprehensive or uninsured motorist coverage.

2. "Operator's policy". An operator's policy of liability insurance shall insure the named person against loss from the liability imposed upon the named person by law for damages arising out of the operation or use by the named person of any motor vehicle not owned by the named person, subject to the same limits of liability required in an owner's policy.

3. "Security". Security means:

- a. a policy or bond meeting the requirements of Section 7-204 of this title,
- b. 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,
- c. 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, or
- d. for vehicles registered pursuant to the provisions of Section 1127 of this title, a policy or bond meeting or exceeding the requirements of Section 7-204 of this title; provided, the policy or bond may be issued by an insurance company or surety company authorized to do business in the state of residence or domicile of the member of the Armed Forces and the motor license agent or other registering agency shall accept the

security verification form issued by such insurance company or surety company.

4. "Compulsory Insurance Law". Compulsory Insurance Law is the law requiring liability insurance in conjunction with the operation of a motor vehicle in this state as found in Section 7-600 et seq. of this title.

5. "Security verification form". A security verification form is a form, approved by the Insurance Commissioner, verifying the existence of security required by the Compulsory Insurance Law of the State of Oklahoma.

SECTION 2. AMENDATORY 47 O.S. 2001, 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~~ the operator 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~~ a vehicle, ~~unless provided~~ such security ~~has been~~ may be provided by the owner of the vehicle in accordance with ~~this section~~ an owner's policy, as defined by Section 7-600 of this title, which does not exclude ~~said person~~ the operator 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.~~ B. The nonresident ~~owner~~ operator 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~~

1. 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~~

2. 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.~~ C. The provisions of this ~~subsection~~ section 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.

SECTION 3. AMENDATORY 47 O.S. 2001, Section 7-601.1, is amended to read as follows:

Section 7-601.1 A. Every carrier, upon issuing an owner's policy authorized pursuant to Section 7-600 of this title, a renewal

thereof, or a binder, shall supply a security verification form in duplicate to an owner for each insured vehicle on a form approved by the Insurance Commissioner.

1. The owner's security verification form shall contain the following minimum information:

- a. the name and address of the carrier,
- b. the name and address of the agent or office where the existence of security may be verified, if other than the carrier,
- c. the name of the named insured,
- d. a notice that an owner's liability insurance policy has been issued pursuant to the Compulsory Insurance Law of this state,
- e. the year of manufacture, make and at least the last three (3) digits of the vehicle identification number of each insured motor vehicle,
- f. the inclusive dates the motor vehicle liability insurance is in effect, and
- g. a warning to the owner that state law:
 - (1) requires a current copy of the ~~owner's~~ security verification form must be surrendered to the motor license agent or other registering agency upon application or renewal for a motor vehicle license plate,
 - (2) requires the other copy of the ~~owner's~~ security verification form to be carried in the motor vehicle at all times, and produced by any driver of the vehicle upon request for inspection by any peace officer or representative of the Department of Public Safety. In case of a collision, the security verification form shall be shown upon request of any person affected by the collision.

The security verification form shall not include the address of the named insured.

2. The owner's security verification form shall contain the following statement: "Examine policy exclusions carefully. This form does not constitute any part of your insurance policy."

3. When a carrier issues an owner's policy providing blanket liability coverage for a fleet of motor vehicles, the year of manufacture, make and at least the last three (3) digits of the vehicle identification number specified in subparagraph e of paragraph 1 of this subsection may be deleted. The security verification form shall bear the term "Fleet Coverage" and otherwise meet the provisions of Section 7-600 et seq. of this title.

4. In the event the effective dates within an owner's policy exceed one (1) year, the carrier shall furnish the owner a copy of the owner's security verification form at least annually in addition to the time of issuance or renewal in order for the owner to submit such copy for motor vehicle registration purposes.

5. In the event an owner's policy also provides liability coverage which meets the requirements of an operator's policy, the carrier may also issue to each person entitled thereto an operator's security verification form as provided in this section.

B. Every carrier, upon issuing an operator's policy, a renewal thereof, or a binder, ~~may~~ shall issue to the insured person a written operator's security verification ~~form~~ forms of a size which may conveniently be carried upon the person for as many vehicles as the insured person operates, containing the following minimum information:

1. The name and address of the carrier;
2. The name and address of the person or office where an inquiry may be made to verify the existence of security;
3. The name of the named insured;

4. A notice that in accordance with the Compulsory Insurance Law of this state, liability coverage has been issued for the named insured;

5. A statement ~~reflecting the form may be carried in lieu of an owner's form pursuant to the Compulsory Insurance Law while operating a motor vehicle.~~ Such that such form shall be produced upon request of any peace officer or representative of the Department of Public Safety. In case of a collision, the form shall be shown upon request of a person affected by a collision with a vehicle operated by the insured; ~~and~~

6. The inclusive dates of liability coverage; and

7. A warning to the operator that state law requires that a current copy of the security verification form of the owner of the vehicle must be surrendered to the motor license agent or other registering agency upon application or renewal for a motor vehicle license plate.

C. A carrier may provide any additional information consistent with the Compulsory Insurance Law of this state in an owner's or operator's security verification form, but shall not be required to list the actual amounts of liability coverage thereon. The security verification form shall not constitute nor be construed as any part of an insurance policy, renewal or binder.

SECTION 4. AMENDATORY 47 O.S. 2001, Section 7-602, is amended to read as follows:

Section 7-602. A. 1. The ~~owner~~ operator of a motor vehicle registered in this state shall carry ~~in such vehicle~~ at all times a current ~~owner's~~ security verification form ~~listing the vehicle~~ or an equivalent form which has been issued by the Department of Public Safety and shall produce such form upon request for inspection by any law enforcement officer or representative of the Department and, in case of a collision, the form shall be shown upon request to any person affected by the collision.

2. Every person registering a motor vehicle in this state, except a motor vehicle which is not being used upon the public highways or public streets, or a manufactured home while on a permanent foundation, at the time of registration of such vehicle, shall certify the existence of security with respect to such vehicle by surrendering to a motor license agent or other registering agency a current ~~owner's~~ security verification form or an equivalent form issued by the Department. A motor license agent or other registering agency shall require the surrender of such form prior to processing an application for registration or renewal.

3. Fleet vehicles operating under the authority of the Corporation Commission, the Federal Highway Administration, or vehicles registered pursuant to the provisions of Section 1120 of this title, shall certify the existence of security with respect to such vehicle at the time of registration by submitting one of the following:

- a. a current owner's security verification form verifying the existence of security as required by Section 7-600 et seq. of this title, or
- b. a permit number verified by the Oklahoma Tax Commission indicating the existence of a current liability insurance policy. Provided, in the event the Tax Commission is unable to verify the existence of such insurance as provided herein in a prompt and timely fashion, the Tax Commission may accept a current single state registration form issued by the Corporation Commission or any other regulating entity with which the Corporation Commission has entered into a reciprocal compact or agreement regarding the regulation of motor vehicles engaged in interstate or foreign commerce upon and over the public highways.

4. The following shall not be required to carry an owner's or operator's security verification form or an equivalent form from the Department during operation of the vehicle and shall not be required to surrender such form for vehicle registration purposes:

- a. any vehicle owned or leased by the federal or state government, or any agency or political subdivision thereof,
- b. any vehicle bearing the name, symbol, or logo of a business, corporation or utility on the exterior and which is in compliance with the provisions of Sections 7-600 through 7-610 of this title according to records of the Department of Public Safety which reflect a deposit, bond, self-insurance, or fleet policy,
- c. fleet vehicles maintaining current vehicle liability insurance as required by the Corporation Commission or any other regulating entity,
- d. any licensed taxicab, and
- e. any vehicle owned by a licensed used motor vehicle dealer.

5. Any person who knowingly issues or promulgates false or fraudulent information in connection with either an owner's or operator's security verification form or an equivalent form which has been issued by the Department shall be guilty of a misdemeanor and upon conviction shall be subject to a fine not exceeding Five Hundred Dollars (\$500.00), or imprisonment for not more than six (6) months, or by both such fine and imprisonment.

B. Each motor license agent is authorized to charge a fee of One Dollar and fifty cents (\$1.50) to each person to whom the agent issues a certificate of registration and who is required to surrender proof of financial responsibility pursuant to the provisions of Sections 7-600 through 7-609 of this title. The fee may be retained by the agent as compensation for services in

processing the proof of financial responsibility and for processing the driver's license information, insurance verification information, and other additional information furnished to the agent pursuant to Section 1112 of this title, if such agent does not receive the maximum compensation as authorized by law.

SECTION 5. AMENDATORY 47 O.S. 2001, Section 7-609, is amended to read as follows:

Section 7-609. A. Whenever any ~~owner~~ operator fails to timely furnish proof of insurance or fails to timely respond as required by subsection D of Section 7-608 of this title, the Department of Public Safety shall suspend the person's driving privilege and the registration of any motor vehicle registered in the name of such person as owner which is not covered by security. The suspension shall be effective immediately upon the lapse of the thirty-day response period in subsection D of Section 7-608 of this title. The suspension shall remain in effect until payment is made of the fees provided for in Section 6-212 of this title and proof of insurance is presented to the Department; provided, if the person ~~is not an owner of any motor vehicle or~~ is not subject to the Compulsory Insurance Law of this state or provides proof the ~~vehicle~~ person was insured prior to the suspension date, then proof of insurance and payment of the processing and reinstatement fee shall not be required and the Department shall vacate the suspension of the person's driving privilege.

B. Any person whose driving privilege and registration have been suspended pursuant to the provisions of subsection A of this section shall surrender to the Department his or her driver license and the license plate of any motor vehicle registered in his or her name and not covered by security within thirty (30) days from the date of the suspension. Any owner failing to surrender his or her driver license or license plate or plates to the Department within

such time shall pay a fee of Fifty Dollars (\$50.00) which shall be in addition to the fees provided for in Section 6-212 of this title.

C. Whenever any person's driving privilege or registration of any motor vehicle is suspended pursuant to this section according to the records of the Department, the Department may accordingly notify any peace officer of the suspension.

D. Any peace officer who has been notified that a person's driving privilege or registration of a motor vehicle is currently under suspension according to the records of the Department may, upon observing the person or motor vehicle anywhere upon a public street, highway, roadway, turnpike, or public parking lot, within this state, forthwith stop the person or motor vehicle and seize the person's driver license or license plate or both.

E. No person shall have a property interest in a driver license, vehicle registration, or vehicle license plate issued pursuant to the laws of this state and it shall be the duty of every person whose driving privilege or motor vehicle registration has been suspended to forthwith surrender such driver license or license plate or both upon the request of any peace officer or representative of the Department.

F. Any person upon a public street, highway, roadway, turnpike, or public parking lot, within this state, who willfully refuses to surrender possession of a driver license or license plate after being informed by a peace officer or representative of the Department that his or her driving privilege or motor vehicle registration is currently under suspension according to the records of the Department, shall be guilty of a misdemeanor, punishable by imprisonment in the county jail for not more than ten (10) days or a fine not to exceed Five Hundred Dollars (\$500.00) or by both such fine and imprisonment.

G. Any driver license or license plate surrendered to or seized by a peace officer pursuant to this section shall be submitted to a

representative of the Department in a manner and with a form or method approved by the Department.

H. The Department shall deposit fees collected pursuant to subsection B of this section in a special account of the Department maintained with the office of the State Treasurer. The State Treasurer shall credit these fees to this special account to be distributed as hereinafter provided.

I. The Department shall identify the name of the employing law enforcement agency from which a suspended driver license or license plate has been received pursuant to this section, and determine that the fee required by subsection B of this section has been paid. The Department shall reimburse the law enforcement agency so identified the sum of Twenty-five Dollars (\$25.00) for each driver license and the sum of Twenty-five Dollars (\$25.00) for each vehicle license plate from the special account.

J. Any unencumbered monies remaining in the special account at the close of each calendar month shall be transferred by the Department to the General Revenue Fund of the State Treasury.

K. The State of Oklahoma, the departments and agencies thereof, including the Department of Public Safety, all political subdivisions, and the officers and employees of each, shall not be held legally liable in any suit in law or in equity for any erroneous entry of a suspension upon the records of the Department, nor for the enforcement of the provisions of the Compulsory Insurance Law, Section 7-600 et seq. of this title, performed in good faith.

SECTION 6. This act shall become effective November 1, 2003.

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