

1 ENGROSSED HOUSE  
2 BILL NO. 2013

By: Miller, Liebmann, Peters  
and Roan of the House

3 and

4 Aldridge of the Senate  
5  
6

7 An Act relating to motor vehicles; amending 47 O.S.  
8 2001, Sections 7-600, Section 1, Chapter 322, O.S.L.  
9 2006, as last amended by Section 2, Chapter 335,  
10 O.S.L. 2008, 7-601.1 and Section 5, Chapter 322,  
11 O.S.L. 2006, as amended by Section 15, Chapter 326,  
12 O.S.L. 2007 (47 O.S. Supp. 2008, Sections 7-600.2 and  
13 7-612), which relate to compulsory liability  
14 insurance requirements; providing definition for  
15 certain term; directing Department of Public Safety  
16 to adopt rules for online verification of liability  
17 policies; providing exception to online verification  
18 system for commercial policies; deleting certain  
19 cooperation requirement for license plate designs;  
20 requiring certain information be obtained and  
21 included on security verification forms; requiring  
22 certain information be designated on security  
23 verification forms; modifying scope of certain  
24 prohibited act; and providing an effective date.

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

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

21 Section 7-600. As used in ~~Section~~ Sections 7-600 ~~et seq.~~  
22 through 7-612 of this title:

23 1. "Owner's policy". An owner's policy of liability insurance:  
24

- 1 a. shall designate by explicit description or by  
2 appropriate reference all vehicles with respect to  
3 which coverage is thereby to be granted,
- 4 b. shall insure the person named therein and insure any  
5 other person, except as provided in subparagraph c of  
6 this paragraph, using an insured vehicle with the  
7 express or implied permission of the named insured,  
8 against loss from the liability imposed by law for  
9 damages arising out of the ownership, maintenance,  
10 operation or use of such vehicle,
- 11 c. may provide for exclusions from coverage in accordance  
12 with existing laws, and
- 13 d. shall be issued by an authorized carrier providing  
14 coverage in accordance with Section 7-204 of this  
15 title.

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

22 3. "Security". Security means:

- 23 a. a policy or bond meeting the requirements of Section  
24 7-204 of this title,

- 1           b. a deposit of cash or securities having the equivalency  
2           of limits required under Section 7-204 of this title  
3           as acceptable limits for a policy or bond,  
4           c. self-insurance, pursuant to the provisions of Section  
5           7-503 of this title, having the equivalency of limits  
6           required under Section 7-204 of this title as  
7           acceptable limits for a policy or bond, or  
8           d. for vehicles registered pursuant to the provisions of  
9           Section 1127 of this title, a policy or bond meeting  
10          or exceeding the requirements of Section 7-204 of this  
11          title; provided, the policy or bond may be issued by  
12          an insurance company or surety company authorized to  
13          do business in the state of residence or domicile of  
14          the member of the Armed Forces and the motor license  
15          agent or other registering agency shall accept the  
16          security verification form issued by such insurance  
17          company or surety company.

18          4. "Compulsory Insurance Law". Compulsory Insurance Law is the  
19          law requiring liability insurance in conjunction with the operation  
20          of a motor vehicle in this state as found in ~~Section~~ Sections 7-600  
21          ~~et seq.~~ through 7-612 of this title.

22          5. "Security verification form". A security verification form  
23          is a form, approved by the Insurance Commissioner, verifying the  
24

1 existence of security required by the Compulsory Insurance Law of  
2 the State of Oklahoma.

3 6. "Commercial auto coverage". Commercial auto coverage is any  
4 coverage provided to an insured, regardless of number of vehicles or  
5 entity covered, under a commercial auto, garage or truckers coverage  
6 form or rated from either a commercial manual or rating rule as  
7 filed and approved by the Insurance Department. Vehicle type and  
8 ownership are not necessarily the primary factors in either  
9 underwriting the coverage or rating the coverage.

10 SECTION 2. AMENDATORY Section 1, Chapter 322, O.S.L.  
11 2006, as last amended by Section 2, Chapter 335, O.S.L. 2008 (47  
12 O.S. Supp. 2008, Section 7-600.2), is amended to read as follows:

13 Section 7-600.2 A. The Department of Public Safety shall  
14 promulgate and adopt rules pursuant to the Administrative Procedures  
15 Act for an online verification system for motor vehicle ~~insurance or~~  
16 ~~bond~~ liability policies as required by the Compulsory Insurance Law,  
17 subject to the following:

18 1. The Oklahoma Tax Commission and the Insurance Department  
19 shall cooperate with the Department of Public Safety in the  
20 development of the verification system;

21 2. The verification system shall be accessible through the  
22 Internet, World Wide Web or a similar proprietary or common carrier  
23 electronic system by authorized personnel of the Department, the  
24

1 Oklahoma Tax Commission, the courts, law enforcement personnel, and  
2 any other entities authorized by the Department;

3 3. The verification system shall provide for direct inquiry and  
4 response between the Department and insurance carriers, or such  
5 other method of inquiry and response as agreed to by the Department  
6 and individual insurance carriers, and direct access to insurers'  
7 records by personnel authorized by the Department;

8 4. The verification system shall be available twenty-four (24)  
9 hours a day to verify the insurance status of any vehicle registered  
10 in this state through the vehicle's identification number, policy  
11 number, registered owner's name or other identifying characteristic  
12 or marker as prescribed by the Department in its rules;

13 5. The Department shall conduct a pilot project to test the  
14 system prior to statewide use;

15 6. The verification system shall be installed and operational  
16 no later than July 1, 2008, following an appropriate testing period  
17 and after December 31, 2009, the verification system shall be  
18 installed and operational through the Internet as a web-based portal  
19 system;

20 7. The Department may contract with a private vendor to assist  
21 in establishing and maintaining the verification system;

22 8. The verification system shall include appropriate  
23 provisions, consistent with industry standards, to secure its data  
24

1 against unauthorized access and to maintain a record of all  
2 information requests;

3 9. Information contained in the verification system shall not  
4 be considered a public record;

5 10. Any law enforcement officer, during a traffic stop or  
6 accident investigation, may access information from the online  
7 verification system to establish compliance with the Compulsory  
8 Insurance Law and to verify the current validity of the policy  
9 described on a security verification form and produced by the  
10 operator of a motor vehicle during the traffic stop or accident  
11 investigation; and

12 11. All information exchanged between the Department and  
13 insurance companies, any database created, and all reports,  
14 responses, or other information generated for the purposes of the  
15 verification system shall not be subject to the Oklahoma Open  
16 Records Act.

17 B. This section shall not apply to a policy issued pursuant to  
18 paragraph 3 of subsection A of Section 7-601.1 of this title or  
19 paragraph 3 of subsection A of Section 7-602 of this title to insure  
20 a commercial motor vehicle or to insure any vehicle under a  
21 commercial policy that provides commercial auto coverage as defined  
22 in Section 7-600 of this title.

23 C. Insurance carriers shall cooperate with the Department in  
24 establishing and maintaining the insurance verification system and

1 shall provide access to motor vehicle insurance policy status  
2 information as provided in the ~~Department's~~ rules of the Department.

3 ~~D. The Oklahoma Tourism and Recreation Department shall~~  
4 ~~cooperate with the Department of Public Safety to assure any license~~  
5 ~~plate designs which are created in consultation with their~~  
6 ~~Department shall incorporate features which assist in the effective~~  
7 ~~implementation of the on-line verification system.~~

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

10 Section 7-601.1 A. Every carrier, upon issuing an owner's  
11 policy, a renewal thereof, or a binder, shall supply a security  
12 verification form in duplicate to an owner for each insured vehicle  
13 on a form approved by the Insurance Commissioner.

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

- 16 a. the name and, address of the carrier and the five-  
17 digit National Association of Insurance Commissioners  
18 (NAIC) company code,
- 19 b. the name and, address and telephone number of the  
20 agent or office where the existence of security may be  
21 verified, if other than the carrier,
- 22 c. the name of the named insured,
- 23
- 24

1 d. a notice that an owner's liability insurance policy  
2 has been issued pursuant to the Compulsory Insurance  
3 Law of this state,

4 e. the year of manufacture, make, model and ~~at least the~~  
5 ~~last three (3) digits of~~ the vehicle identification  
6 number of each insured motor vehicle,

7 f. the inclusive dates the motor vehicle liability  
8 insurance is in effect, ~~and~~

9 g. the policy number, and

10 h. a warning to the owner that state law:

11 (1) requires a current copy of the owner's security  
12 verification form must be surrendered to the  
13 motor license agent or other registering agency  
14 upon application or renewal for a motor vehicle  
15 license plate,

16 (2) requires the other copy of the owner's security  
17 verification form to be carried in the motor  
18 vehicle at all times, and produced by any driver  
19 of the vehicle upon request for inspection by any  
20 peace officer or representative of the Department  
21 of Public Safety. In case of a collision, the  
22 security verification form shall be shown upon  
23 request of any person affected by the collision.

24

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

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

6           3. When a carrier issues an owner's policy providing blanket  
7 liability coverage for a fleet of motor vehicles, the year of  
8 manufacture, make and at least the last three (3) digits of the  
9 vehicle identification number specified in subparagraph e of  
10 paragraph 1 of this subsection may be deleted. The security  
11 verification form shall bear the term "Fleet Coverage" and otherwise  
12 meet the provisions of ~~Section~~ Sections 7-600 ~~et seq.~~ through 7-612  
13 of this title.

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

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

23           B. Every carrier, upon issuing an operator's policy, a renewal  
24 thereof, or a binder, may issue to the insured person a written

1 operator's security verification form of a size which may  
2 conveniently be carried upon the person, containing the following  
3 minimum information:

4 1. The name and, address of the carrier and the five-digit NAIC  
5 company code;

6 2. The name and, address and telephone number of the person or  
7 office where an inquiry may be made to verify the existence of  
8 security;

9 3. The name of the named insured;

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

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

20 6. The inclusive dates of liability coverage; and

21 7. The policy number.

22 C. A carrier may provide any additional information consistent  
23 with the Compulsory Insurance Law of this state in an owner's or  
24 operator's security verification form, but shall not be required to

1 list the actual amounts of liability coverage thereon. The security  
2 verification form shall not constitute nor be construed as any part  
3 of an insurance policy, renewal or binder.

4 D. A carrier shall designate on the security verification form  
5 whether the policy is a commercial auto policy.

6 SECTION 4. AMENDATORY Section 5, Chapter 322, O.S.L.  
7 2006, as amended by Section 15, Chapter 326, O.S.L. 2007 (47 O.S.  
8 Supp. 2008, Section 7-612), is amended to read as follows:

9 Section 7-612. A. It is a misdemeanor for any person:

10 1. To purchase a security verification form which bears altered  
11 or fictitious information concerning the existence of security  
12 required by the Compulsory Insurance Law;

13 2. To display or cause or permit to be displayed or to possess  
14 a security verification form which the person knows bears altered or  
15 fictitious information concerning the existence of security required  
16 by the Compulsory Insurance Law; or

17 3. To display or cause or permit to be displayed or to possess  
18 any security verification form that is counterfeit.

19 B. It is a felony for anyone, other than an ~~insurance carrier~~  
20 insurer or insurance producer as defined by Section 1435.2 of Title  
21 36 of the Oklahoma Statutes, to:

22 1. Create or otherwise manufacture a security verification form  
23 or facsimile thereof, or to create, manufacture or possess an  
24

1 engraved plate or other such device for the printing of security  
2 verification forms; or

3 2. Issue or sell security verification forms.

4 C. 1. The violation of any of the provisions of subsection A  
5 of this section shall constitute a misdemeanor punishable by a fine  
6 of not less than Twenty-five Dollars (\$25.00), nor more than Two  
7 Hundred Fifty Dollars (\$250.00) and by mandatory suspension of the  
8 person's driving privilege and vehicle registration for:

9 a. two (2) months, for a first offense,

10 b. six (6) months, for a second offense, or

11 c. one (1) year, for a third or subsequent offense.

12 The suspension imposed under this subsection shall not be modified.

13 2. The violation of any of the provisions of subsection B of  
14 this section shall constitute a felony punishable by a fine not  
15 exceeding Ten Thousand Dollars (\$10,000.00) or a term of  
16 imprisonment in the custody of the Department of Corrections not to  
17 exceed seven (7) years, or by both such fine and imprisonment.

18 D. The suspension required in subsection C of this section  
19 shall remain in effect until payment is made of the fees provided  
20 for in Section 6-212 of this title and proof of security is  
21 furnished to the Department of Public Safety which complies with the  
22 requirements of Section 7-601 of this title. Suspension under this  
23 section shall be effective when notice is given pursuant to Section  
24 2-116 of this title.

1 E. Any person whose driving privilege and registration have  
2 been suspended pursuant to the provisions of subsection C of this  
3 section shall surrender to the Department his or her driver license  
4 and the license plate of any motor vehicle registered in his or her  
5 name and not covered by security within thirty (30) days from the  
6 date of the suspension. Any owner failing to surrender his or her  
7 driver license or license plate or plates to the Department within  
8 such time shall pay a fee of Fifty Dollars (\$50.00) which shall be  
9 in addition to the fees provided for in Section 6-212 of this title.

10 SECTION 5. This act shall become effective November 1, 2009.

11 Passed the House of Representatives the 11th day of March, 2009.

12

13

14

\_\_\_\_\_  
Presiding Officer of the House of  
Representatives

15

16 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2009.

17

18

19

\_\_\_\_\_  
Presiding Officer of the Senate

20

21

22

23

24