

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 HOUSE BILL 1671

By: Brown

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5  
6 AS INTRODUCED

7  
8 An Act relating to minimum liability insurance  
9 limits; amending 47 O.S. 2011, Section 7-103, which  
10 relates to definitions; modifying definition of  
11 minimum liability insurance limits; amending 47 O.S.  
12 2011, Section 7-324, which relates to motor vehicle  
13 liability policies; increasing certain minimum  
14 liability insurance limits; amending 47 O.S. 2011,  
15 Section 8-104, which relates to financial  
16 responsibility of taxicab operators; increasing  
17 certain minimum liability insurance limits; amending  
18 70 O.S. 2011, Section 1210.43, which relates to  
19 vocational or area school vehicles; increasing  
20 certain minimum liability insurance limits; and  
21 providing an effective date.

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

23 SECTION 1. AMENDATORY 47 O.S. 2011, Section 7-103, is  
24 amended to read as follows:

25 Section 7-103. The following words and phrases when used in  
26 ~~Title 47 of the Oklahoma Statutes~~ this title shall have the meanings  
27 respectively ascribed to them in this section:

1           1. "Judgment" means any judgment which shall have become final  
2 by expiration without appeal in the time within which an appeal  
3 might have been perfected, or by final affirmation on appeal,  
4 rendered by a court of competent jurisdiction of any state or of the  
5 United States, upon a cause of action arising out of the ownership,  
6 maintenance or use of any vehicle subject to registration under the  
7 laws of this state, for damages, including damages for care and loss  
8 of services, because of bodily injury to or death of any person, or  
9 for damages because of injury to or destruction of property,  
10 including the loss of use thereof, or upon a cause of action on an  
11 agreement of settlement for the damages;

12           2. "Minimum liability insurance limits" means:

13           a. for vehicle liability policies issued or renewed  
14 before April 1, 2005:

15           (1) a limit of not less than Ten Thousand Dollars  
16           (\$10,000.00) because of bodily injury to or death  
17           of one person in any one accident,

18           (2) subject to the limit for one person as prescribed  
19           in division (1) of this subparagraph ~~a of this~~  
20           ~~paragraph~~, a limit of not less than Twenty  
21           Thousand Dollars (\$20,000.00) because of bodily  
22           injury to or death of two or more persons in any  
23           one accident, and  
24

1 (3) if the accident has resulted in injury to or  
2 destruction of property, a limit of not less than  
3 Ten Thousand Dollars (\$10,000.00) because of  
4 injury to or destruction of property of others in  
5 any one accident, or

6 b. for vehicle liability policies issued or renewed on or  
7 after ~~April 1, 2005~~ November 1, 2015:

8 (1) a limit of not less than ~~Twenty-five Thousand~~  
9 ~~Dollars (\$25,000.00)~~ Thirty-five Thousand  
10 Dollars (\$35,000.00) because of bodily injury to  
11 or death of one person in any one accident,

12 (2) subject to the limit for one person as prescribed  
13 in division (1) of this subparagraph ~~a of this~~  
14 ~~paragraph~~, a limit of not less than Fifty  
15 Thousand Dollars (\$50,000.00) because of bodily  
16 injury to or death of two or more persons in any  
17 one accident, and

18 (3) if the accident has resulted in injury to or  
19 destruction of property to a limit of not less  
20 than ~~Twenty-five Thousand Dollars (\$25,000.00)~~  
21 Thirty-five Thousand Dollars (\$35,000.00) because  
22 of injury to or destruction of property of others  
23 in any one accident;

1 3. "Motor vehicle liability policy" means an owner's policy or  
2 operator's policy of liability, as defined in this chapter, issued  
3 by an insurance carrier duly authorized to transact business in this  
4 state, to or for the benefit of the person named therein as insured.  
5 With respect to a policy which grants coverage in excess of or in  
6 addition to minimum liability insurance limits, the term motor  
7 vehicle liability policy shall apply only to that part of the  
8 coverage which is required by minimum liability insurance limits;  
9 and

10 4. "Proof of financial responsibility" means proof of ability  
11 to respond in damages for liability at the minimum liability  
12 insurance limits:

13 a. resulting from accidents occurring subsequent to the  
14 effective date of the proof, or

15 b. arising out of the ownership, maintenance or use of a  
16 vehicle subject to registration under the laws of this  
17 state.

18 SECTION 2. AMENDATORY 47 O.S. 2011, Section 7-324, is  
19 amended to read as follows:

20 Section 7-324. ~~(a)~~ A. Certification. A "motor vehicle  
21 liability policy" as the term is used in this article shall mean an  
22 "owner's policy" or an "operator's policy" of liability insurance,  
23 certified as provided in Section ~~7-321~~ 7-601 or Section ~~7-322~~ 7-602  
24 of this title as proof of financial responsibility, and issued,

1 except as otherwise provided in Section ~~7-322~~ 7-602 of this title,  
2 by an insurance carrier duly authorized to transact business in this  
3 state, to or for the benefit of the person named therein as insured.

4 ~~(b)~~ B. Owner's policy. Such owner's policy of liability  
5 insurance:

6 1. Shall designate by explicit description or by appropriate  
7 reference all vehicles with respect to which coverage is thereby to  
8 be granted; ~~and~~

9 2. Shall insure the person named therein and any other person  
10 except as herein provided, as insured, using any such vehicle or  
11 vehicles with the express or implied permission of such named  
12 insured, against loss from the liability imposed by law for damages  
13 arising out of the ownership, maintenance or use of such vehicle or  
14 vehicles within the United States of America or the Dominion of  
15 Canada, subject to limits exclusive of interest and costs, with  
16 respect to each such vehicle, as follows: ~~Twenty-five Thousand~~  
17 ~~Dollars (\$25,000.00)~~ Thirty-five Thousand Dollars (\$35,000.00)  
18 because of bodily injury to or death of one person in any one  
19 accident and, subject to said limit for one person, Fifty Thousand  
20 Dollars (\$50,000.00) because of bodily injury to or death of two or  
21 more persons in any one accident, and ~~Twenty-five Thousand Dollars~~  
22 ~~(\$25,000.00)~~ Thirty-five Thousand Dollars (\$35,000.00) because of  
23 injury to or destruction of property of others in any one accident;  
24 and

1           3. May by agreement in a separate written endorsement between  
2 any named insured and the insurer exclude as insured any person or  
3 persons designated by name from coverage under the policy.

4           ~~(c)~~ C. Operator's policy. Such operator's policy of liability  
5 insurance shall insure the person named as insured therein against  
6 loss from the liability imposed upon him by law for damages arising  
7 out of the use by him of any motor vehicle not owned by him, within  
8 the same territorial limits and subject to the same limits of  
9 liability as are set forth above with respect to an owner's policy  
10 of liability insurance.

11           ~~(d)~~ D. Required statements in policies. Such motor vehicle  
12 liability policy shall state the name and address of the named  
13 insured, the coverage afforded by the policy, the premium charged  
14 therefor, the policy period and the limits of liability, and shall  
15 contain an agreement or be endorsed that insurance is provided  
16 thereunder in accordance with the coverage defined in this chapter  
17 as respects bodily injury and death or property damage, or both, and  
18 is subject to all the provisions of this title.

19           ~~(e)~~ E. Policy need not insure workmen's compensation. Such  
20 motor vehicle liability policy need not insure any liability under  
21 any workmen's compensation law nor any liability on account of  
22 bodily injury to or death of an employee of the insured while  
23 engaged in the employment, other than domestic, of the insured, or  
24 while engaged in the operation, maintenance or repair of any such

1 vehicle nor any liability for damage to property owned by, rented  
2 to, in charge of or transported by the insured.

3 ~~(f)~~ F. Provisions incorporated in policy. Every motor vehicle  
4 liability policy shall be subject to the following provisions which  
5 need not be contained therein:

6 1. The liability of the insurance carrier with respect to the  
7 insurance required by this title shall become absolute whenever  
8 injury or damage covered by said motor vehicle liability policy  
9 occurs; said policy may not be canceled or annulled as to such  
10 liability by any agreement between the insurance carrier and the  
11 insured after the occurrence of the injury or damage; no statement  
12 made by the insured or on his behalf and no violation of said policy  
13 shall defeat or void said policy;

14 2. The satisfaction by the insured of a judgment for such  
15 injury or damage shall not be a condition precedent to the right or  
16 duty of the insurance carrier to make payment on account of such  
17 injury or damage;

18 3. The insurance carrier shall have the right to settle any  
19 claim covered by the policy, and if such settlement is made in good  
20 faith, the amount thereof shall be deductible from the limits of  
21 liability specified in paragraph 2 of subsection ~~(b)~~ B of this  
22 section; and

23 4. The policy, the written application therefor, if any, and  
24 any rider or endorsement which does not conflict with the provisions

1 of this title shall constitute the entire contract between the  
2 parties.

3 ~~(g)~~ G. Excess or additional coverage. Any policy which grants  
4 the coverage required for a motor vehicle liability policy may also  
5 grant any lawful coverage in excess of or in addition to the  
6 coverage specified for a motor vehicle liability policy and such  
7 excess or additional coverage shall not be subject to the provisions  
8 of this title. With respect to a policy which grants such excess or  
9 additional coverage, the term "motor vehicle liability policy" shall  
10 apply only to that part of the coverage which is required by this  
11 section.

12 ~~(h)~~ H. Reimbursement provision permitted. Any motor vehicle  
13 liability policy may provide that the insured shall reimburse the  
14 insurance carrier for any payment the insurance carrier would not  
15 have been obligated to make under the terms of the policy except for  
16 the provisions of this title.

17 ~~(i)~~ I. Proration of insurance permitted. Any motor vehicle  
18 liability policy may provide for the prorating of the insurance  
19 thereunder with other valid and collectible insurance.

20 ~~(j)~~ J. Multiple policies. The requirements for a motor vehicle  
21 liability policy may be fulfilled by the policies of one or more  
22 insurance carriers which policies together meet such requirements.  
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1       ~~(k)~~ K. Binders. Any binder issued pending the issuance of a  
2 motor vehicle liability policy shall be deemed to fulfill the  
3 requirements for such a policy.

4       SECTION 3.        AMENDATORY        47 O.S. 2011, Section 8-104, is  
5 amended to read as follows:

6       Section 8-104. A. 1. Every person, firm or corporation  
7 engaged in the business of operating a taxicab or taxicabs within a  
8 municipality shall file with the governing board of the municipality  
9 in which such business is operated proof of financial  
10 responsibility.

11       2. No governing board of a municipality shall hereafter issue  
12 any certificate of convenience and necessity, franchise, license  
13 permit or other privilege or authority to any person, firm or  
14 corporation authorizing such person, firm or corporation to engage  
15 in the business of operating a taxicab or taxicabs within the  
16 municipality unless such person, firm or corporation first files  
17 with the governing board proof of financial responsibility.

18       3. Every person, firm or corporation engaging or intending to  
19 engage in the business of transporting passengers outside a  
20 municipality shall be subject to the jurisdiction of the Corporation  
21 Commission in accordance with Section 230.24 of this title and the  
22 rules of the Corporation Commission.

23       B. As used in this section, "proof of financial responsibility"  
24 shall mean a certificate of any insurance carrier or risk retention

1 group, as defined in Section 6453 of Title 36 of the Oklahoma  
2 Statutes, authorized to do business in the state certifying that  
3 there is in effect a policy of liability insurance insuring the  
4 owner and operator of the taxicab business, his agents and employees  
5 while in the performance of their duties against loss from any  
6 liability imposed by law for damages including damages for care and  
7 loss of services because of bodily injury to or death of any person  
8 and injury to or destruction of property caused by accident and  
9 arising out of the ownership, use or operation of such taxicab or  
10 taxicabs, subject to minimum limits, exclusive of interest and cost,  
11 with respect to each such motor vehicle as follows:

12 1. ~~Twenty-five Thousand Dollars (\$25,000.00)~~ Thirty-five  
13 Thousand Dollars (\$35,000.00) because of bodily injury to or death  
14 of one person in any one accident ~~and, subject to said limit for one~~  
15 ~~person;~~

16 2. Subject to said limit for one person, Fifty Thousand Dollars  
17 (\$50,000.00) because of bodily injury to or death of two or more  
18 persons in any one accident; and

19 3. ~~Twenty-five Thousand Dollars (\$25,000.00)~~ Thirty-five  
20 Thousand Dollars (\$35,000.00) because of injury to or destruction of  
21 property of others in any one accident.

22 SECTION 4. AMENDATORY 70 O.S. 2011, Section 1210.43, is  
23 amended to read as follows:  
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1 Section 1210.43 In the event the vehicle is loaned the board of  
2 education shall provide insurance, by securing a policy from an  
3 insurance company authorized to do business in this state, with  
4 limits of not less than ~~Twenty-five Thousand Dollars (\$25,000.00)~~  
5 Thirty-five Thousand Dollars (\$35,000.00) because of bodily injury  
6 to or death of one person in any one accident and, subject to said  
7 limit for one person, to a limit of not less than Fifty Thousand  
8 Dollars (\$50,000.00) because of bodily injury to or death of two or  
9 more persons in any one accident, and if the accident has resulted  
10 in injury to or destruction of property to a limit of not less than  
11 ~~Twenty-five Thousand Dollars (\$25,000.00)~~ Thirty-five Thousand  
12 Dollars (\$35,000.00) because of injury to or destruction of property  
13 of others in any one accident, to cover such motor vehicle and its  
14 use while in its possession or control, and the owner so furnishing  
15 same shall not be liable for any personal injury or property damage  
16 resulting from the use of any such motor vehicle while in the  
17 possession of the board of education, its officials, employees or  
18 students.

19 The use of such motor vehicles for the purposes stated in  
20 Section 1210.41 of this title by technology center schools or  
21 technology center school districts is declared to be a public  
22 governmental function and no action for damages shall be brought  
23 against such schools or school districts or the boards of education  
24 thereof and the amount of damages, if any, recoverable against and

1 collectible from such insurer may be determined in an action brought  
2 against said insurance company and shall be limited to the amount  
3 provided in the insurance contract.

4 SECTION 5. This act shall become effective November 1, 2015.

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