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April 4, 2013

ENGROSSED HOUSE
BILL NO. 1792

By: Christian, Turner, Moore
and Kirby of the House

and

Brooks and Holt of the
Senate

An Act relating to uninsured motorists; creating the Oklahoma Temporary Motorist Liability Plan; describing coverage provided under the plan; providing time period and circumstances in which coverage will be applicable; creating the Temporary Insurance Premium Pool; limiting coverage if any other coverage is in effect; requiring the Insurance Commissioner to develop forms; providing bid selection process; providing for Plan Administrator; providing cost of temporary insurance; providing for cause of action; authorizing the Department of Public Safety to promulgate rules; amending 47 O.S. 2011, Section 7-606, as amended by Section 4, Chapter 207, O.S.L. 2012 (47 O.S. Supp. 2012, Section 7-606), which relates to penalties for failure to maintain insurance; providing for seizure of license plate, citation and fees; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 7-621 of Title 47, unless there is created a duplication in numbering, reads as follows:

1 A. There is hereby created the "Oklahoma Temporary Motorist
2 Liability Plan".

3 B. The Oklahoma Temporary Motorist Liability Plan will provide
4 minimum vehicle liability insurance coverage for the payment of loss
5 resulting from the liability imposed by law for bodily injury, death
6 and property damage sustained by any person arising out of the
7 ownership, maintenance, operation or use of a vehicle when a
8 citation is issued and the vehicle license plate has been seized
9 pursuant to subparagraph b of paragraph 1 of subsection A of Section
10 7-606 of Title 47 of the Oklahoma Statutes.

11 C. Coverage amount will be equal to the state minimum liability
12 requirement.

13 SECTION 2. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 7-622 of Title 47, unless there
15 is created a duplication in numbering, reads as follows:

16 A. Coverage shall only be provided by the Oklahoma Temporary
17 Motorist Liability Plan from the time period beginning when the
18 citation is issued and the vehicle license plate is seized pursuant
19 to subparagraph b of paragraph 1 of subsection A of Section 7-606 of
20 Title 47 of the Oklahoma Statutes, and ending at the earliest of the
21 following times:

22 1. When the owner of the vehicle has:

23 a. obtained documentation from the Department of Public
24 Safety showing the owner of the vehicle has secured

1 for the payment of loss resulting from the liability
2 imposed by law for bodily injury, death and property
3 damage sustained by any person arising out of the
4 ownership, maintenance, operation or use of the
5 vehicle meeting the minimum vehicle liability limits,
6 or

7 b. obtained the state minimum mandatory insurance from an
8 insurance carrier;

9 2. Retrieved the license plate from the county sheriff's office
10 pursuant to subparagraph b of paragraph 1 of subsection A of Section
11 7-606 of Title 47 of the Oklahoma Statutes; or

12 3. When the citation serving as the temporary license plate has
13 expired pursuant to subparagraph b of paragraph 1 of subsection A of
14 Section 7-606 of Title 47 of the Oklahoma Statutes.

15 B. Coverage shall only be provided while the motor vehicle is
16 operated in this state during the time period provided in subsection
17 A of this section.

18 SECTION 3. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 7-623 of Title 47, unless there
20 is created a duplication in numbering, reads as follows:

21 A. There is hereby created the Temporary Insurance Premium
22 Pool. Funds shall be deposited into the Temporary Insurance Premium
23 Pool pursuant to subparagraph b of paragraph 1 of subsection A of
24 Section 7-606 of Title 47 of the Oklahoma Statutes.

1 B. Any interest or earning accrued to the Plan Administrator
2 accounts associated with the Oklahoma Temporary Motorist Liability
3 Plan shall be deposited into the Temporary Insurance Premium Pool.

4 C. At the end of any state fiscal year, if the Temporary
5 Insurance Premium Pool reserves exceed that year's three-month
6 average total statewide premium, then the excess funds shall be
7 distributed to the Department of Public Safety's operations fund.

8 D. The Temporary Insurance Premium Pool is subject to audit by
9 the state auditor.

10 SECTION 4. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 7-624 of Title 47, unless there
12 is created a duplication in numbering, reads as follows:

13 Coverage provided by the Oklahoma Temporary Motorist Liability
14 Plan will be secondary to any other coverage in effect on the
15 vehicle.

16 SECTION 5. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 7-625 of Title 47, unless there
18 is created a duplication in numbering, reads as follows:

19 A. The Insurance Commissioner shall annually develop and
20 approve a policy form for the purpose of providing coverage under
21 the Oklahoma Temporary Motorist Liability Plan. All coverage and
22 exclusions shall be defined in the form prescribed by the
23 Commissioner. The exclusions may include, but are not limited to,
24 driving without a license, driving during the commission of a felony

1 or driving while under the influence. The approved policy form
2 shall become part of a Request for Proposals.

3 B. The Office of Management and Enterprise Services, in
4 consultation with the Insurance Commissioner, shall select an
5 insurer through a competitive bidding process to administer
6 insurance coverage under the Plan.

7 C. Bids shall be received by the Office of Management and
8 Enterprise Services by November 1 of each year. Bids shall be
9 expressed as a daily temporary insurance rate and shall include all
10 costs associated with administering the insurance portion of the
11 Plan. Bids may not include any additional administrative fees. The
12 Office of Management and Enterprise Services, in consultation with
13 the Insurance Commissioner, shall select the lowest and best bid.

14 D. If no acceptable bids are received, the Office of Management
15 and Enterprise Services may suspend coverage provided under the Plan
16 until acceptable bids are received.

17 SECTION 6. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 7-626 of Title 47, unless there
19 is created a duplication in numbering, reads as follows:

20 A. A statewide association of county sheriffs in Oklahoma shall
21 serve as the Plan Administrator.

22 B. The daily rate for temporary insurance under the Oklahoma
23 Temporary Motorist Liability Plan for the following calendar year
24 shall be announced on the first Monday in December. The daily cost

1 of coverage shall be paid to the county sheriff's office and the
2 fine and fees associated with the traffic ticket shall be paid to
3 the court clerk. The daily cost of coverage shall be calculated on
4 each twenty-four-hour period from the time the citation was issued
5 pursuant to subparagraph b of paragraph 1 of subsection A of Section
6 7-606 of Title 47 of the Oklahoma Statutes, rounding up. The county
7 sheriff's office shall not waive premium dues for any defendant.
8 The county sheriff's office shall remit all proceeds from the daily
9 cost of insurance to the Plan on the first business day of each
10 month to the Plan Administrator. The Plan Administrator shall remit
11 the total statewide monthly premium to the appropriate insurance
12 carrier within sixty (60) days of the premium being earned.

13 C. If for any reason the premium is not collected, then the
14 Oklahoma Temporary Motorist Liability Plan shall pay the premium out
15 of the Temporary Insurance Premium Pool.

16 D. If the citation issued pursuant to subparagraph b of
17 paragraph 1 of subsection A of Section 7-606 of Title 47 of the
18 Oklahoma Statutes is dismissed without cost, the coverage provided
19 under the Plan is considered never activated and the premium is
20 considered unearned and shall be waived.

21 E. Tag agents shall not issue a new or renewed tag for this
22 vehicle until all fines, fees and premiums have been paid and the
23 license plate has been released by the county sheriff's office.
24

1 SECTION 7. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 7-627 of Title 47, unless there
3 is created a duplication in numbering, reads as follows:

4 The insurance carrier whose bid was selected by the Office of
5 Management and Enterprise Services shall have right to recover from
6 the owner of the vehicle or the driver of the vehicle that was cited
7 for claims paid by the Oklahoma Temporary Motorist Liability Plan.

8 SECTION 8. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 7-628 of Title 47, unless there
10 is created a duplication in numbering, reads as follows:

11 The Department of Public Safety may promulgate reasonable and
12 necessary rules concerning the implementation of the Oklahoma
13 Temporary Motorist Liability Plan.

14 SECTION 9. AMENDATORY 47 O.S. 2011, Section 7-606, as
15 amended by Section 4, Chapter 207, O.S.L. 2012 (47 O.S. Supp. 2012,
16 Section 7-606), is amended to read as follows:

17 Section 7-606. A. 1. An owner or operator who fails to comply
18 with the Compulsory Insurance Law, or who fails to produce for
19 inspection a valid and current security verification form or
20 equivalent form which has been issued by the Department of Public
21 Safety upon request of any peace officer, representative of the
22 Department of Public Safety or other authorized person, shall be
23 guilty of a misdemeanor and upon conviction shall be subject to a
24 fine of not more than Two Hundred Fifty Dollars (\$250.00), or

1 imprisonment for not more than thirty (30) days, or by both such
2 fine and imprisonment, and in addition thereto, shall be subject to
3 suspension of the driving privilege of the person in accordance with
4 Section 7-605 of this title. Upon issuing a citation under this
5 paragraph, the law enforcement officer issuing the citation may:

6 a. seize the vehicle being operated by the person and
7 cause the vehicle to be towed and stored as provided
8 by subsection B of Section 955 of this title, if the
9 officer has probable cause to believe that the vehicle
10 is not insured as required by the Compulsory Insurance
11 Law of this state, or

12 b. seize the license plate of the vehicle and issue the
13 citation to the vehicle operator, provided that the
14 vehicle is in a drivable condition at the time of
15 issuing the citation. A copy of the citation retained
16 by the owner or operator of the vehicle shall serve as
17 the temporary license plate of the vehicle for up to
18 ten (10) working days after the issuance of the
19 citation. After ten (10) working days, the vehicle
20 shall not be used until the vehicle operator or owner
21 completes the requirements to retrieve the license
22 plate.

23 (1) After the issuance of the citation, the law
24 enforcement agency issuing the citation shall,

1 within three (3) days, deposit the license plate
2 and deliver a copy of the citation to the county
3 sheriff's office of the county where the
4 violation has occurred.

5 (2) The vehicle owner or operator may retrieve the
6 license plate from the county sheriff's office
7 upon providing verification of compliance with
8 the Compulsory Insurance Law, payment in full of
9 an administrative fee of One Hundred Twenty-five
10 Dollars (\$125.00) to the county sheriff's office
11 and payment in full of the citation to the court
12 clerk. The county sheriff's office shall
13 transfer the administrative fee to the Plan
14 Administrator. The Plan Administrator shall
15 distribute the administrative fee as follows:

16 (a) Twenty Dollars (\$20.00) of the fee shall be
17 distributed to the county sheriff's office
18 to defray any expenses involved in the
19 storage of the license plate,

20 (b) Seventy Dollars (\$70.00) of the fee shall be
21 transferred to the law enforcement agency
22 which issued the citation and may be used
23 for any lawful purpose,

1 (c) Twenty-five Dollars (\$25.00) of the fee
2 shall be transferred to the Temporary
3 Insurance Premium Pool, and

4 (d) the Plan Administrator shall retain Ten
5 Dollars (\$10.00) of the fee.

6 (3) The county sheriff's office may dispose of any
7 unclaimed license plate after ninety (90) days
8 according to applicable state law. After the
9 license plate has been disposed of by the county
10 sheriff's office, the operator or owner shall be
11 required to obtain a new license plate pursuant
12 to all existing requirements.

13 If the operator of the vehicle produces what appears to be a valid
14 security verification form and the officer is unable to confirm
15 compliance through the online verification system or noncompliance
16 by a subsequent investigation, the officer shall be prohibited from
17 seizing the license plate or seizing the vehicle and causing such
18 vehicle to be towed and stored. Further, no vehicle shall be seized
19 and towed under the provisions of this paragraph if said vehicle is
20 displaying a temporary license plate that has not expired pursuant
21 to the provisions of Sections 1137.1 and 1137.3 of this title.

22 2. An owner other than an owner of an antique or a classic
23 automobile as defined by the Oklahoma Tax Commission who files an
24 affidavit that a vehicle shall not be driven upon the public

1 highways or public streets, pursuant to Section 7-607 of this title,
2 who drives or permits the driving of the vehicle upon the public
3 highways or public streets, shall be guilty of a misdemeanor and
4 upon conviction thereof shall be subject to a fine of not more than
5 Five Hundred Dollars (\$500.00), or imprisonment for not more than
6 thirty (30) days, or by both such fine and imprisonment, and in
7 addition thereto, shall be subject to suspension of the driving
8 privilege of the person in accordance with Section 7-605 of this
9 title.

10 B. A sentence imposed for any violation of the Compulsory
11 Insurance Law may be suspended or deferred in whole or in part by
12 the court.

13 C. Any person producing proof in court that a current security
14 verification form or equivalent form which has been issued by the
15 Department of Public Safety reflecting liability coverage for the
16 person was in force at the time of the alleged offense shall be
17 entitled to dismissal of the charge. If proof of security
18 verification is presented to the court by no later than the business
19 day preceding the first scheduled court appearance date, the
20 dismissal shall be without payment of court costs. The court may
21 access information from the online verification system to confirm
22 liability coverage. The court shall not dismiss the fine unless
23 proof that liability coverage for the person was in force at the
24 time of the alleged offense is presented to the court.

1 D. Upon conviction or bond forfeiture, the court clerk shall
2 forward an abstract to the Department of Public Safety within five
3 (5) days reflecting the action taken by the court.

4 E. For purposes of this section, "court" means any court in
5 this state.

6 SECTION 10. This act shall become effective November 1, 2013.

7 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE
8 April 4, 2013 - DO PASS
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