

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 HOUSE BILL 2554

By: West (Rick)

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5  
6 AS INTRODUCED

7 An Act relating to motor vehicles; amending 47 O.S.  
8 2011, Sections 7-103 and 7-324, which relate to  
9 financial responsibility; modifying definitions;  
10 updating language; increasing minimum required  
11 coverage for bodily injury or death; and providing an  
12 effective date.

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

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

16 Section 7-103. The following words and phrases when used in  
17 Title 47 of the Oklahoma Statutes shall have the meanings  
18 respectively ascribed to them in this section:

19 1. "Judgment" means any judgment which shall have become final  
20 by expiration without appeal in the time within which an appeal  
21 might have been perfected, or by final affirmation on appeal,  
22 rendered by a court of competent jurisdiction of any state or of the  
23 United States, upon a cause of action arising out of the ownership,  
24 maintenance or use of any vehicle subject to registration under the  
laws of this state, for damages, including damages for care and loss

1 of services, because of bodily injury to or death of any person, or  
2 for damages because of injury to or destruction of property,  
3 including the loss of use thereof, or upon a cause of action on an  
4 agreement of settlement for the damages;

5 2. "Minimum liability insurance limits" means:

6 a. ~~for vehicle liability policies issued or renewed~~  
7 ~~before April 1, 2005:~~

8 ~~(1) a limit of not less than Ten Thousand Dollars~~  
9 ~~(\$10,000.00) because of bodily injury to or death~~  
10 ~~of one person in any one accident,~~

11 ~~(2) subject to the limit for one person as prescribed~~  
12 ~~in subparagraph a of this paragraph, a limit of~~  
13 ~~not less than Twenty Thousand Dollars~~  
14 ~~(\$20,000.00) because of bodily injury to or death~~  
15 ~~of two or more persons in any one accident, and~~

16 ~~(3) if the accident has resulted in injury to or~~  
17 ~~destruction of property, a limit of not less than~~  
18 ~~Ten Thousand Dollars (\$10,000.00) because of~~  
19 ~~injury to or destruction of property of others in~~  
20 ~~any one accident, or~~

21 b. ~~for vehicle liability policies issued or renewed on or~~  
22 ~~after April 1, 2005:~~

- 1           ~~(1) a limit of not less than Twenty five Thousand~~  
2           ~~Dollars (\$25,000.00) because of bodily injury to~~  
3           ~~or death of one person in any one accident,~~  
4           ~~(2) subject to the limit for one person as prescribed~~  
5           ~~in subparagraph a of this paragraph, a limit of~~  
6           ~~not less than Fifty Thousand Dollars (\$50,000.00)~~  
7           ~~because of bodily injury to or death of two or~~  
8           ~~more persons in any one accident, and~~  
9           ~~(3) if the accident has resulted in injury to or~~  
10           ~~destruction of property to a limit of not less~~  
11           ~~than Twenty five Thousand Dollars (\$25,000.00)~~  
12           ~~because of injury to or destruction of property~~  
13           ~~of others in any one accident~~ the minimum  
14           liability insurance limits provided in subsection  
15           B of Section 7-324 of this title;

16           3. "Motor vehicle liability policy" means an owner's policy or  
17 operator's policy of liability, as defined in this chapter, issued  
18 by an insurance carrier duly authorized to transact business in this  
19 state, to or for the benefit of the person named therein as insured.  
20 With respect to a policy which grants coverage in excess of or in  
21 addition to minimum liability insurance limits, the term motor  
22 vehicle liability policy shall apply only to that part of the  
23 coverage which is required by minimum liability insurance limits;  
24 and

1 4. "Proof of financial responsibility" means proof of ability  
2 to respond in damages for liability at the minimum liability  
3 insurance limits:

4 a. resulting from accidents occurring subsequent to the  
5 effective date of the proof,

6 b. arising out of the ownership, maintenance or use of a  
7 vehicle subject to registration under the laws of this  
8 state.

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

11 Section 7-324. ~~(a) Certification.~~ A. A "motor vehicle  
12 liability policy" as the term is used in this article shall mean an  
13 "owner's policy" or an "operator's policy" of liability insurance,  
14 ~~certified as provided in Section 7-321 or Section 7-322 of this~~  
15 ~~title as proof of financial responsibility, and issued, except as~~  
16 ~~otherwise provided in Section 7-322 of this title,~~ by an insurance  
17 carrier duly authorized to transact business in this state, to or  
18 for the benefit of the person named therein as insured.

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

21 1. Shall designate by explicit description or by appropriate  
22 reference all vehicles with respect to which coverage is thereby to  
23 be granted; and  
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1           2. Shall insure the person named therein and any other person  
2 except as herein provided, as insured, using any such vehicle or  
3 vehicles with the express or implied permission of such named  
4 insured, against loss from the liability imposed by law for damages  
5 arising out of the ownership, maintenance or use of such vehicle or  
6 vehicles within the United States of America or the Dominion of  
7 Canada, subject to limits exclusive of interest and costs, with  
8 respect to each such vehicle, as follows: ~~Twenty-five Thousand~~  
9 ~~Dollars (\$25,000.00)~~ Thirty Thousand Dollars (\$30,000.00) because of  
10 bodily injury to or death of one person in any one accident and,  
11 subject to said limit for one person, ~~Fifty Thousand Dollars~~  
12 ~~(\$50,000.00)~~ Sixty Thousand Dollars (\$60,000.00) because of bodily  
13 injury to or death of two or more persons in any one accident, and  
14 Twenty-five Thousand Dollars (\$25,000.00) because of injury to or  
15 destruction of property of others in any one accident.

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

19           ~~(c) Operator's policy.~~ C. Such operator's policy of liability  
20 insurance shall insure the person named as insured therein against  
21 loss from the liability imposed upon him or her by law for damages  
22 arising out of the use by him of any motor vehicle not owned by him,  
23 within the same territorial limits and subject to the same limits of  
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1 liability as are set forth above with respect to an owner's policy  
2 of liability insurance.

3 ~~(d) Required statements in policies.~~ D. Such motor vehicle  
4 liability policy shall state the name and address of the named  
5 insured, the coverage afforded by the policy, the premium charged  
6 therefor, the policy period and the limits of liability, and shall  
7 contain an agreement or be endorsed that insurance is provided  
8 thereunder in accordance with the coverage defined in this chapter  
9 as respects bodily injury and death or property damage, or both, and  
10 is subject to all the provisions of this title.

11 ~~(e) Policy need not insure workmen's compensation.~~ E. Such  
12 motor vehicle liability policy need not insure any liability under  
13 any ~~workmen's~~ workers' compensation law nor any liability on account  
14 of bodily injury to or death of an employee of the insured while  
15 engaged in the employment, other than domestic, of the insured, or  
16 while engaged in the operation, maintenance or repair of any such  
17 vehicle nor any liability for damage to property owned by, rented  
18 to, in charge of or transported by the insured.

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

22 1. The liability of the insurance carrier with respect to the  
23 insurance required by this title shall become absolute whenever  
24 injury or damage covered by said motor vehicle liability policy

1 occurs; said policy may not be canceled or annulled as to such  
2 liability by any agreement between the insurance carrier and the  
3 insured after the occurrence of the injury or damage; no statement  
4 made by the insured or on his behalf and no violation of said policy  
5 shall defeat or void said policy.

6 2. The satisfaction by the insured of a judgment for such  
7 injury or damage shall not be a condition precedent to the right or  
8 duty of the insurance carrier to make payment on account of such  
9 injury or damage.

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

15 4. The policy, the written application therefor, if any, and  
16 any rider or endorsement which does not conflict with the provisions  
17 of this title shall constitute the entire contract between the  
18 parties.

19 ~~(g) Excess or additional coverage.~~ G. Any policy which grants  
20 the coverage required for a motor vehicle liability policy may also  
21 grant any lawful coverage in excess of or in addition to the  
22 coverage specified for a motor vehicle liability policy and such  
23 excess or additional coverage shall not be subject to the provisions  
24 of this title. With respect to a policy which grants such excess or

1 additional coverage, the term "motor vehicle liability policy" shall  
2 apply only to that part of the coverage which is required by this  
3 section.

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

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

12 ~~(j) Multiple policies.~~ J. The requirements for a motor vehicle  
13 liability policy may be fulfilled by the policies of one or more  
14 insurance carriers which policies together meet such requirements.

15 ~~(k) Binders.~~ K. Any binder issued pending the issuance of a  
16 motor vehicle liability policy shall be deemed to fulfill the  
17 requirements for such a policy.

18 SECTION 3. This act shall become effective November 1, 2018.

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20 56-2-9508 AMM 01/08/18

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