

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 1503

By: Sneed

COMMITTEE SUBSTITUTE

An Act relating to insurance; amending 47 O.S. 2021, Section 7-324, which relates to motor vehicle liability policies; modifying minimum insurance coverage requirements; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2021, Section 7-324, is amended to read as follows:

Section 7-324. (a) Certification. A "motor vehicle liability policy" as the term is used in this article shall mean an "owner's policy" or an "operator's policy" of liability insurance, ~~certified as provided in Section 7-321 or Section 7-322~~ for which a security verification form, as defined in Section 7-600 of this title, has been issued as proof of financial responsibility, ~~and issued,~~ except as otherwise provided in Section ~~7-322~~ 7-204 of this title, by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named therein as insured.

(b) Owner's policy. Such owner's policy of liability insurance:

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

2. Shall insure the person named therein and any other person except as herein provided, as insured, using any such vehicle or vehicles with the express or implied permission of such named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of such vehicle or vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such vehicle, as follows: ~~Twenty-five Thousand Dollars (\$25,000.00)~~ Fifty Thousand Dollars (\$50,000.00) because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, ~~Fifty Thousand Dollars (\$50,000.00)~~ One Hundred Thousand Dollars (\$100,000.00) because of bodily injury to or death of two or more persons in any one accident, and ~~Twenty-five Thousand Dollars (\$25,000.00)~~ Fifty Thousand Dollars (\$50,000.00) because of injury to or destruction of property of others in any one accident; ~~and~~

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

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

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

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

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

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

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

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

21 4. The policy, the written application therefor, if any, and
22 any rider or endorsement which does not conflict with the provisions
23 of this title shall constitute the entire contract between the
24 parties.

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

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

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

18 (j) Multiple policies. The requirements for a motor vehicle
19 liability policy may be fulfilled by the policies of one or more
20 insurance carriers which policies together meet such requirements.

21 (k) Binders. Any binder issued pending the issuance of a motor
22 vehicle liability policy shall be deemed to fulfill the requirements
23 for such a policy.

SECTION 2. This act shall become effective November 1, 2023.

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