

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1503

By: Sneed

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8                                   COMMITTEE SUBSTITUTE

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

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

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

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

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

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

8 2. Shall insure the person named therein and any other person  
9 except as herein provided, as insured, using any such vehicle or  
10 vehicles with the express or implied permission of such named  
11 insured, against loss from the liability imposed by law for damages  
12 arising out of the ownership, maintenance or use of such vehicle or  
13 vehicles within the United States of America or the Dominion of  
14 Canada, subject to limits exclusive of interest and costs, with  
15 respect to each such vehicle, as follows: ~~Twenty-five Thousand~~  
16 ~~Dollars (\$25,000.00)~~ Fifty Thousand Dollars (\$50,000.00) because of  
17 bodily injury to or death of one person in any one accident and,  
18 subject to said limit for one person, ~~Fifty Thousand Dollars~~  
19 ~~(\$50,000.00)~~ One Hundred Thousand Dollars (\$100,000.00) because of  
20 bodily injury to or death of two or more persons in any one  
21 accident, and ~~Twenty-five Thousand Dollars (\$25,000.00)~~ Fifty  
22 Thousand Dollars (\$50,000.00) because of injury to or destruction of  
23 property of others in any one accident; and

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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) 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 or her by law for damages  
7 arising out of the use by him of any motor vehicle not owned by him  
8 or her, within the same territorial limits and subject to the same  
9 limits of liability as are set forth above with respect to an  
10 owner's policy of liability insurance.

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

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

3 (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 or her behalf and no violation of said  
13 policy 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) of this  
22 section.

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) Excess or additional coverage. Any policy which grants the  
4 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) 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) 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) 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) Binders. Any binder issued pending the issuance of a motor  
2 vehicle liability policy shall be deemed to fulfill the requirements  
3 for such a policy.

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

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6 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 02/22/2023 - DO  
7 PASS, As Amended.  
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