

By: Representative Clark

To: Insurance

## HOUSE BILL NO. 986

1 AN ACT TO AMEND SECTIONS 63-15-3, 63-15-11, 63-15-31 AND  
2 63-15-43, MISSISSIPPI CODE OF 1972, TO INCREASE THE STATUTORY  
3 MINIMUM FOR MOTOR VEHICLE LIABILITY INSURANCE COVERAGE IN ANY ONE  
4 ACCIDENT FROM \$10,000.00 TO \$25,000.00 FOR BODILY INJURY TO OR  
5 DEATH OF ONE PERSON, FROM \$20,000.00 TO \$50,000.00 FOR BODILY  
6 INJURY TO OR DEATH OF TWO OR MORE PERSONS AND FROM \$5,000.00 TO  
7 \$20,000.00 FOR INJURY TO OR DESTRUCTION OF PROPERTY OF OTHERS; AND  
8 FOR RELATED PURPOSES.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 SECTION 1. Section 63-15-3, Mississippi Code of 1972, is  
11 amended as follows:

12 63-15-3. The following words and phrases, when used in this  
13 chapter, shall, for the purposes of this chapter, have the  
14 meanings respectively ascribed to them in this section, except in  
15 those instances where the context clearly indicates a different  
16 meaning:

17 (a) "Highway" means the entire width between property  
18 lines of any road, street, way, thoroughfare, or bridge in the  
19 State of Mississippi not privately owned or controlled, when any  
20 part thereof is open to the public for vehicular traffic and over  
21 which the state has legislative jurisdiction under its police  
22 power.

23 (b) "Judgment" means any judgment which shall have  
24 become final by expiration, without appeal, of the time within  
25 which an appeal might have been perfected, or by final affirmation  
26 on appeal, rendered by a court of competent jurisdiction of any  
27 state or of the United States, upon a cause of action arising out  
28 of the ownership, maintenance or use of any motor vehicle, for  
29 damages, including damages for care and loss of services, because

30 of bodily injury to or death of any person, or for damages because  
31 of injury to or destruction of property, including the loss of use  
32 thereof, or upon a cause of action on an agreement of settlement  
33 for such damages.

34 (c) "Motor vehicle" means every self-propelled vehicle  
35 (other than traction engines, road rollers and graders, tractor  
36 cranes, power shovels, well drillers and implements of husbandry)  
37 which is designed for use upon a highway, including trailers and  
38 semitrailers designed for use with such vehicles, and every  
39 vehicle which is propelled by electric power obtained from  
40 overhead wires but not operated upon rails.

41 For purposes of this definition, "implements of husbandry"  
42 shall not include trucks, pickup trucks, trailers and semitrailers  
43 designed for use with such trucks and pickup trucks.

44 (d) "License" means any driver's, operator's,  
45 commercial operator's, or chauffeur's license, temporary  
46 instruction permit or temporary license, or restricted license,  
47 issued under the laws of the State of Mississippi pertaining to  
48 the licensing of persons to operate motor vehicles.

49 (e) "Nonresident" means every person who is not a  
50 resident of the State of Mississippi.

51 (f) "Nonresident's operating privilege" means the  
52 privilege conferred upon a nonresident by the laws of Mississippi  
53 pertaining to the operation by him of a motor vehicle, or the use  
54 of a motor vehicle owned by him, in the State of Mississippi.

55 (g) "Operator" means every person who is in actual  
56 physical control of a motor vehicle.

57 (h) "Owner" means a person who holds the legal title of  
58 a motor vehicle; in the event a motor vehicle is the subject of an  
59 agreement for the conditional sale or lease thereof with the right  
60 of purchase upon performance of the conditions stated in the  
61 agreement and with an immediate right of possession vested in the  
62 conditional vendee or lessee or in the event a mortgagor of a  
63 vehicle is entitled to possession, then such conditional vendee or  
64 lessee or mortgagor shall be deemed the owner for the purpose of  
65 this chapter.

66 (i) "Person" means every natural person, firm,

67 copartnership, association or corporation.

68 (j) "Proof of financial responsibility" means proof of  
69 ability to respond in damages for liability, on account of  
70 accidents occurring subsequent to the effective date of said  
71 proof, arising out of the ownership, maintenance or use of a motor  
72 vehicle, in the amount of Twenty-five Thousand Dollars  
73 (\$25,000.00) because of bodily injury to or death of one (1)  
74 person in any one (1) accident, and subject to said limit for one  
75 (1) person, in the amount of Fifty Thousand Dollars (\$50,000.00)  
76 because of bodily injury to or death of two (2) or more persons in  
77 any one (1) accident, and in the amount of Twenty Thousand Dollars  
78 (\$20,000.00) because of injury to or destruction of property of  
79 others in any one (1) accident.

80 (k) "Registration" means a certificate or certificates  
81 and registration plates issued under the laws of this state  
82 pertaining to the registration of motor vehicles.

83 (l) "Department" means the Department of Public Safety  
84 of the State of Mississippi, acting directly or through its  
85 authorized officers and agents, except in such sections of this  
86 chapter in which some other state department is specifically  
87 named.

88 (m) "State" means any state, territory or possession of  
89 the United States, the District of Columbia, or any province of  
90 the Dominion of Canada.

91 SECTION 2. Section 63-15-11, Mississippi Code of 1972, is  
92 amended as follows:

93 63-15-11. (1) If twenty (20) days after the receipt of a  
94 report of a motor vehicle accident in this state which has  
95 resulted in bodily injury or death, or damage to the property of  
96 any one (1) person in excess of Two Hundred Fifty Dollars  
97 (\$250.00), the department does not have on file evidence  
98 satisfactory to it that the person who would otherwise be required  
99 to file security under subsection (2) of this section has been

100 finally adjudicated not to be liable, or has executed a duly  
101 acknowledged written agreement providing for the payment of an  
102 agreed amount in installments with respect to all claims for  
103 injuries or damages resulting from the accident, the department  
104 shall determine the amount of security which shall be sufficient  
105 in its judgment to satisfy any judgment or judgments for damages  
106 resulting from such accident as may be recovered against each  
107 operator or owner.

108 (2) The department shall, within sixty (60) days after the  
109 receipt of such report of a motor vehicle accident, suspend the  
110 license of each operator and all registrations of each owner of a  
111 motor vehicle in any manner involved in such accident, and if such  
112 operator is a nonresident the privilege of operating a motor  
113 vehicle within this state, and if such owner is a nonresident the  
114 privilege of the use within this state of any motor vehicle owned  
115 by him, unless such operator or owner or both shall deposit  
116 security in the sum so determined by the department and shall also  
117 furnish proof of financial responsibility. Notice of such  
118 suspension shall be sent by the department to such operator and  
119 owner not less than ten (10) days prior to the effective date of  
120 such suspension and shall state the amount required as security.  
121 Where erroneous information is given the department with respect  
122 to the matters set forth in subdivisions (1), (2), and (3) of  
123 subsection (4) of this section, it shall take appropriate action  
124 as hereinbefore provided, within sixty (60) days after receipt by  
125 it of correct information with respect to said matters.

126 (3) Any person so notified of suspension may, within ten  
127 (10) days after receipt of such notification, make a written  
128 request to the department for a hearing, and such request shall  
129 operate as a stay of any suspension pending the outcome of such  
130 hearing. For the purposes of this section, the scope of such  
131 hearing shall cover the issues of whether there is a reasonable  
132 probability of a judgment being rendered against such person in a

133 lawsuit arising out of the accident and whether such person is  
134 exempt from the requirement of depositing security under  
135 subsection (4) of this section. At such hearing the department  
136 may also consider the amount of security required to be deposited,  
137 if any. The hearing shall be in accordance with rules and  
138 regulations which shall be adopted by the department and furnished  
139 to the operator or owner with the notice of suspension. For the  
140 purposes of this section, a "hearing" may consist of a  
141 determination of such issues by the department based solely on  
142 written reports submitted by the operator or owner and by  
143 investigatory officers, provided that the owner or operator, in  
144 his request to the department for a hearing, has expressly  
145 consented to such type hearing and that the department has  
146 consented thereto.

147 Any person whose suspension has been sustained shall have the  
148 right to appeal as provided in Section 63-15-7. However, such  
149 suspension shall not be stayed by the department or any court  
150 while such appeal is pending.

151 (4) Subsections (1) and (2) of this section shall not apply:  
152 (1) to such operator or owner if such owner had in effect at the  
153 time of such accident a liability policy with respect to the motor  
154 vehicle involved in such accident; (2) to such operator, if not  
155 the owner of such motor vehicle, if there was in effect at the  
156 time of such accident a liability policy with respect to his  
157 operation of motor vehicles not owned by him; (3) to such operator  
158 or owner if the liability of such operator or owner for damages  
159 resulting from such accident is, in the judgment of the  
160 department, covered by any other form of liability insurance  
161 policy or bond of a surety company authorized to do business in  
162 this state; (4) to any person qualifying as a self-insurer under  
163 Section 63-15-53, or to any person operating a motor vehicle for  
164 such self-insurer; (5) to the operator or the owner of a motor  
165 vehicle legally parked at the time of the accident; (6) to the

166 owner of a motor vehicle if at the time of the accident the  
167 vehicle was stolen; or (7) to any person for whom the department  
168 has found in the hearing provided for in subsection (3) of this  
169 section, that there is not a reasonable probability of a judgment  
170 being rendered against such person in a lawsuit arising out of the  
171 accident.

172 No such policy shall be effective under this section unless  
173 issued by an insurance company or surety company authorized to  
174 write motor vehicle liability insurance in this state, except that  
175 if such motor vehicle was not registered in this state, or was a  
176 motor vehicle which was registered elsewhere than in this state at  
177 the effective date of the policy or the most recent renewal  
178 thereof, such policy shall not be effective under this section  
179 unless the insurance company or surety company if not authorized  
180 to do business in this state shall execute a power of attorney  
181 authorizing the department to accept service on its behalf of  
182 notice or process in any action upon such policy arising out of  
183 such accident. However, every such policy shall be subject, if  
184 the accident has resulted in bodily injury or death, to a limit,  
185 exclusive of interest and cost, of not less than Twenty-five  
186 Thousand Dollars (\$25,000.00) because of bodily injury to or death  
187 of one (1) person in any one (1) accident and, subject to said  
188 limit for one (1) person, to a limit of not less than Fifty  
189 Thousand Dollars (\$50,000.00) because of bodily injury to or death  
190 of two (2) or more persons in any one (1) accident, and if the  
191 accident has resulted in injury to or destruction of property, to  
192 a limit of not less than Twenty Thousand Dollars (\$20,000.00)  
193 because of injury to or destruction of property of others in any  
194 one (1) accident.

195 SECTION 3. Section 63-15-31, Mississippi Code of 1972, is  
196 amended as follows:

197 63-15-31. Judgments referred to in this chapter shall, for  
198 the purpose of this chapter only, be deemed satisfied:

199           (a) When Twenty-five Thousand Dollars (\$25,000.00) has  
200 been credited upon any judgment or judgments rendered in excess of  
201 that amount because of bodily injury to or death of one (1) person  
202 as the result of any one (1) accident; or

203           (b) When, subject to such limit of Twenty-five Thousand  
204 Dollars (\$25,000.00) because of bodily injury to or death of one  
205 (1) person, the sum of Fifty Thousand Dollars (\$50,000.00) has  
206 been credited upon any judgment or judgments rendered in excess of  
207 that amount because of bodily injury to or death of two (2) or  
208 more persons as the result of any one (1) accident; or

209           (c) When Twenty Thousand Dollars (\$20,000.00) has been  
210 credited upon any judgment or judgments rendered in excess of that  
211 amount because of injury to or destruction of property of others  
212 as a result of any one (1) accident.

213           However, payments made in settlement of any claims because of  
214 bodily injury, death or property damage arising from a motor  
215 vehicle accident shall be credited in reduction of the amounts  
216 provided for in this section.

217           SECTION 4. Section 63-15-43, Mississippi Code of 1972, is  
218 amended as follows:

219           63-15-43. (1) A "motor vehicle liability policy" as said  
220 term is used in this chapter shall mean an owner's or an  
221 operator's policy of liability insurance, certified as provided in  
222 Section 63-15-39 or Section 63-15-41, as proof of financial  
223 responsibility, and issued, except as otherwise provided in  
224 Section 63-15-41, by an insurance company duly authorized to write  
225 motor vehicle liability insurance in this state, to or for the  
226 benefit of the person named therein as insured.

227           (2) Such owner's policy of liability insurance:

228           (a) Shall designate by explicit description or by  
229 appropriate reference all motor vehicles with respect to which  
230 coverage is thereby to be granted.

231           (b) Shall pay on behalf of the insured named therein

232 and any other person, as insured, using any such motor vehicle or  
233 motor vehicles with the express or implied permission of such  
234 named insured, all sums which the insured shall become legally  
235 obligated to pay as damages arising out of the ownership,  
236 maintenance or use of such motor vehicle or motor vehicles within  
237 the United States of America or the Dominion of Canada, subject to  
238 limits exclusive of interest and costs, with respect to each such  
239 motor vehicle, as follows: Twenty-five Thousand Dollars  
240 (\$25,000.00) because of bodily injury to or death of one (1)  
241 person in any one (1) accident and, subject to said limit for one  
242 (1) person, Fifty Thousand Dollars (\$50,000.00) because of bodily  
243 injury to or death of two (2) or more persons in any one (1)  
244 accident, and Twenty Thousand Dollars (\$20,000.00) because of  
245 injury to or destruction of property of others in any one (1)  
246 accident.

247 (3) Such operator's policy of liability insurance shall pay  
248 on behalf of the insured named therein all sums which the insured  
249 shall become legally obligated to pay as damages arising out of  
250 the use by him of any motor vehicle not owned by him, within the  
251 same territorial limits and subject to the same limits of  
252 liability as are set forth above with respect to an owner's policy  
253 of liability insurance.

254 (4) Such motor vehicle liability policy shall state the name  
255 and address of the named insured, the coverage afforded by the  
256 policy, the premium charged therefor, the policy period and the  
257 limits of liability, and shall contain an agreement or be endorsed  
258 that insurance is provided thereunder in accordance with the  
259 coverage defined in this chapter as respects bodily injury and  
260 death or property damage, or both, and is subject to all the  
261 provisions of this chapter.

262 (5) Such motor vehicle liability policy shall not insure:

263 (a) Any obligation for which the insured or any company  
264 as his insurer may be held liable under any workmen's compensation



265 law;

266 (b) Any liability on account of bodily injury to or  
267 death of any employee of the insured while engaged in the  
268 employment, other than domestic, of the insured, or in domestic  
269 employment if benefits therefor are either payable or required to  
270 be provided under any workmen's compensation law; or

271 (c) Any liability because of injury to or destruction  
272 of property owned by, rented to, in charge of or transported by  
273 the insured.

274 (6) Every motor vehicle liability policy shall be subject to  
275 the following provisions which need not be contained therein:

276 (a) The liability of the insurance company with respect  
277 to the insurance required by this chapter shall become absolute  
278 whenever injury or damage covered by said motor vehicle liability  
279 policy occurs; said policy may not be cancelled or annulled as to  
280 such liability by any agreement between the insurance company and  
281 the insured after the occurrence of the injury or damage; no  
282 statement made by the insured or on his behalf and no violation of  
283 said policy shall defeat or void said policy;

284 (b) The satisfaction by the insured of a judgment for  
285 such injury or damage shall not be a condition precedent to the  
286 right or duty of the insurance company to make payment on account  
287 of such injury or damage;

288 (c) The insurance company shall have the right to  
289 settle any claim covered by the policy, and if such settlement is  
290 made in good faith, the amount thereof shall be deductible from  
291 the limits of liability specified in subdivision (b) of subsection  
292 (2) of this section; or

293 (d) The policy, the written application therefor, if  
294 any, and any rider or endorsement which does not conflict with the  
295 provisions of the chapter shall constitute the entire contract  
296 between the parties.

297 (7) Any policy which grants the coverage required for a

298 motor vehicle liability policy may also grant any lawful coverage  
299 in excess of or in addition to the coverage specified for a motor  
300 vehicle liability policy, and such excess or additional coverage  
301 shall not be subject to the provisions of this chapter. With  
302 respect to a policy which grants such excess or additional  
303 coverage, the term "motor vehicle liability policy" shall apply  
304 only to that part of the coverage which is required by this  
305 section.

306 (8) Any motor vehicle liability policy may provide that the  
307 insured shall reimburse the insurance company for any payment the  
308 insurance company would not have been obligated to make under the  
309 terms of the policy except for the provisions of this chapter.

310 (9) Any motor vehicle liability policy may provide for the  
311 prorating of the insurance thereunder with other valid and  
312 collectible insurance.

313 (10) The requirements for a motor vehicle liability policy  
314 may be fulfilled by the policies of one or more insurance  
315 companies which policies together meet such requirements.

316 (11) Any binder issued pending the issuance of a motor  
317 vehicle liability policy shall be deemed to fulfill the  
318 requirements for such a policy.

319 SECTION 5. This act shall take effect and be in force from  
320 and after July 1, 1999.