

By: Senator(s) Hall

To: Insurance

## SENATE BILL NO. 2039

1 AN ACT TO AMEND THE MISSISSIPPI MOTOR VEHICLE SAFETY  
2 RESPONSIBILITY LAW BY CREATING A NEW SECTION TO BE CODIFIED AS  
3 SECTION 63-15-4, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR  
4 COMPULSORY MOTOR VEHICLE LIABILITY INSURANCE; TO PROVIDE THAT  
5 CERTAIN VEHICLES SHALL BE EXEMPT FROM THE REQUIREMENT OF  
6 MAINTAINING MOTOR VEHICLE LIABILITY INSURANCE; TO PROVIDE THAT THE  
7 PERSONS INSURED UNDER LIABILITY INSURANCE SHALL BE RESPONSIBLE FOR  
8 AFFIXING AN EMBLEM ON EACH INSURED MOTOR VEHICLE AS EVIDENCE OF  
9 COVERAGE; TO PROVIDE FOR THE DESIGN OF SUCH EMBLEM BY THE  
10 DEPARTMENT OF PUBLIC SAFETY AND FOR THE FURNISHING OF SUCH EMBLEM  
11 BY THE INSURANCE COMPANY; TO PRESCRIBE PENALTIES FOR VIOLATIONS OF  
12 THE PROVISIONS OF THIS ACT; TO AMEND SECTIONS 63-15-3 AND  
13 63-15-11, MISSISSIPPI CODE OF 1972, TO INCREASE FINANCIAL  
14 RESPONSIBILITY REQUIREMENTS; TO AMEND SECTION 63-15-29,  
15 MISSISSIPPI CODE OF 1972, TO DELETE THE REQUIREMENT THAT A  
16 DISCHARGE IN BANKRUPTCY DOES NOT RELIEVE THE JUDGMENT DEBTOR OF  
17 OBLIGATIONS UNDER THIS CHAPTER; TO AMEND SECTIONS 63-15-13,  
18 63-15-31, 63-15-43 AND 63-15-51, MISSISSIPPI CODE OF 1972, TO  
19 CONFORM THERETO; AND FOR RELATED PURPOSES.

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

21 SECTION 1. The following shall be codified as Section  
22 63-15-4, Mississippi Code of 1972:

23 63-15-4. (1) It is unlawful to operate a motor vehicle in  
24 this state unless a policy of motor vehicle liability insurance in  
25 at least the minimum amounts required for proof of financial  
26 responsibility under Section 63-15-3, Mississippi Code of 1972, is  
27 in effect to insure against losses which may arise out of the  
28 operation of such vehicle.

29 (2) The following vehicles are exempt from the requirement  
30 of subsection (1) of this section:

31 (a) Vehicles exempt by Section 63-15-5, Mississippi  
32 Code of 1972;

33 (b) Vehicles for which a bond or a certificate of  
34 deposit of money or securities in at least the minimum amounts

35 required for proof of financial responsibility is on file with the  
36 department;

37 (c) Vehicles that are self-insured under Section  
38 63-15-53, Mississippi Code of 1972;

39 (d) Vehicles that are both registered to and operated  
40 by nonresidents, except for those vehicles that are primarily  
41 operated in this state; and

42 (e) Implements of husbandry.

43 (3) (a) Every motor vehicle operated in this state and  
44 required by this section to be insured under a motor vehicle  
45 liability insurance policy shall have an emblem affixed to the  
46 vehicle in a prominent location as evidence of insurance. The  
47 insured parties shall be responsible for placing the emblem on  
48 each vehicle.

49 (b) The department shall design the emblem and  
50 determine where the emblem is to be placed on the vehicle.

51 (c) (i) An insurance company issuing a policy of motor  
52 vehicle liability insurance as required by this section shall  
53 furnish to the insured an emblem of the design adopted by the  
54 department, and shall furnish the emblem at the time the insurance  
55 policy becomes effective.

56 (ii) One (1) emblem must be furnished for each  
57 motor vehicle insured by the policy, and must have an expiration  
58 date clearly designated thereon to correspond with the expiration  
59 date of the policy of motor vehicle liability insurance. Upon  
60 renewal of the policy, the insurance company shall furnish to the  
61 insured parties a replacement emblem with the expiration date of  
62 the renewal policy for each insured motor vehicle.

63 (4) Every peace officer, driver's license examiner or other  
64 authorized agent or officer of the department, and other law  
65 enforcement officers authorized to inspect drivers' licenses or  
66 investigate motor vehicle accidents may inspect the emblem  
67 required under this section or investigate the reason for the lack  
68 of such emblem on any motor vehicle traveling on a public road or  
69 highway.

70 (5) Failure to maintain a policy of motor vehicle liability  
71 insurance or failure to have a valid emblem affixed to a motor

72 vehicle as required under this section or fraudulent use of an  
73 emblem is a misdemeanor punishable by a fine of Three Hundred  
74 Dollars (\$300.00). A second or subsequent offense within a period  
75 of two (2) years from a prior offense is a misdemeanor punishable  
76 by a fine of Five Hundred Dollars (\$500.00).

77 (6) The requirements of this section and the penalties  
78 provided herein are in addition to and not in lieu of the  
79 requirements and penalties as otherwise provided by this chapter.

80 SECTION 2. Section 63-15-3, Mississippi Code of 1972, is  
81 amended as follows:

82 63-15-3. The following words and phrases, when used in this  
83 chapter, shall, for the purposes of this chapter, have the  
84 meanings respectively ascribed to them in this section, except in  
85 those instances where the context clearly indicates a different  
86 meaning:

87 (a) "Department" means the Department of Public  
88 Safety \* \* \*, acting directly or through its authorized officers  
89 and agents \* \* \*.

90 (b) "Emblem" means a decal, sticker or like device  
91 designed by the department as required pursuant to Section  
92 63-15-4, Mississippi Code of 1972.

93 (c) "Highway" means the entire width between property  
94 lines of any road, street, way, thoroughfare, or bridge in the  
95 State of Mississippi not privately owned or controlled, when any  
96 part \* \* \* is open to the public for vehicular traffic and over  
97 which the state has legislative jurisdiction under its police  
98 power.

99 (d) "Judgment" means any judgment which is final by  
100 expiration, without appeal, of the time within which an appeal  
101 might have been perfected, or by final affirmation on appeal,  
102 rendered by a court of competent jurisdiction of any state or of  
103 the United States, upon a cause of action arising out of the  
104 ownership, maintenance or use of any motor vehicle, for damages,

105 including damages for care and loss of services, because of bodily  
106 injury to or death of any person, or for damages because of injury  
107 to or destruction of property, including the loss of use thereof,  
108 or upon a cause of action on an agreement of settlement for such  
109 damages.

110           (e) "License" means any driver's, operator's,  
111 commercial operator's, or chauffeur's license, temporary  
112 instruction permit or temporary license, or restricted license,  
113 issued under the laws of the State of Mississippi pertaining to  
114 the licensing of persons to operate motor vehicles.

115           (f) "Motor vehicle" means every self-propelled vehicle  
116 (other than traction engines, road rollers and graders, tractor  
117 cranes, power shovels, well drillers and implements of husbandry)  
118 which is designed for use upon a highway, including trailers and  
119 semitrailers designed for use with such vehicles, and every  
120 vehicle which is propelled by electric power obtained from  
121 overhead wires but not operated upon rails.

122           For purposes of this definition, "implements of husbandry"  
123 shall not include trucks, pickup trucks, trailers and semitrailers  
124 designed for use with such trucks and pickup trucks.

125           (g) "Nonresident" means any person who is not a  
126 resident of the State of Mississippi.

127           (h) "Nonresident's operating privilege" means the  
128 privilege conferred upon a nonresident by the laws of Mississippi  
129 pertaining to the operation by him of a motor vehicle, or the use  
130 of a motor vehicle owned by him, in the State of Mississippi.

131           (i) "Operator" means any person who is in actual  
132 physical control of a motor vehicle.

133           (j) "Owner" means a person who holds the legal title of  
134 a motor vehicle; if a motor vehicle is the subject of an agreement  
135 for the conditional sale or lease \* \* \* with the right of purchase  
136 upon performance of the conditions stated in the agreement and  
137 with an immediate right of possession vested in the conditional

138 vendee or lessee or if a mortgagor of a vehicle is entitled to  
139 possession, then such conditional vendee or lessee or mortgagor is  
140 the owner for the purpose of this chapter.

141 (k) "Person" means a \* \* \* person, firm, copartnership,  
142 association or corporation.

143 (l) "Proof of financial responsibility" means proof of  
144 ability to respond in damages for liability, on account of  
145 accidents occurring subsequent to the effective date of said  
146 proof, arising out of the ownership, maintenance or use of a motor  
147 vehicle, in the amount of Twenty-five Thousand Dollars  
148 (\$25,000.00) because of bodily injury to or death of one (1)  
149 person in any one (1) accident, and subject to the limit for one  
150 (1) person, in the amount of Fifty Thousand Dollars (\$50,000.00)  
151 because of bodily injury to or death of two (2) or more persons in  
152 any one (1) accident, and in the amount of Twenty Thousand Dollars  
153 (\$20,000.00) because of injury to or destruction of property of  
154 others in any one (1) accident.

155 (m) "Registration" means a certificate or certificates  
156 and registration plates issued under the laws of this state  
157 pertaining to the registration of motor vehicles.

158 (n) "State" means any state, territory or possession of  
159 the United States, the District of Columbia, or any province of  
160 the Dominion of Canada.

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

163 63-15-11. (1) If twenty (20) days after the receipt of a  
164 report of a motor vehicle accident in this state which has  
165 resulted in bodily injury or death, or damage to the property of  
166 any one (1) person in excess of Two Hundred Fifty Dollars  
167 (\$250.00), the department does not have on file evidence  
168 satisfactory to it that the person who would otherwise be required  
169 to file security under subsection (2) of this section has been  
170 finally adjudicated not to be liable, or has executed a duly

171 acknowledged written agreement providing for the payment of an  
172 agreed amount in installments with respect to all claims for  
173 injuries or damages resulting from the accident, the department  
174 shall determine the amount of security which shall be sufficient  
175 in its judgment to satisfy any judgment or judgments for damages  
176 resulting from such accident as may be recovered against each  
177 operator or owner.

178 (2) The department shall, within sixty (60) days after the  
179 receipt of such report of a motor vehicle accident, suspend the  
180 license of each operator and all registrations of each owner of a  
181 motor vehicle in any manner involved in such accident, and if such  
182 operator is a nonresident the privilege of operating a motor  
183 vehicle within this state, and if such owner is a nonresident the  
184 privilege of the use within this state of any motor vehicle owned  
185 by him, unless such operator or owner or both shall deposit  
186 security in the sum so determined by the department and shall also  
187 furnish proof of financial responsibility. Notice of such  
188 suspension shall be sent by the department to such operator and  
189 owner not less than ten (10) days prior to the effective date of  
190 such suspension and shall state the amount required as security.  
191 If erroneous information is given the department with respect to  
192 the matters set forth in paragraphs (a), (b) and (c) of subsection  
193 (4) of this section, the department shall take appropriate action  
194 as hereinbefore provided, within sixty (60) days after it receives  
195 the correct information \* \* \*.

196 (3) Any person so notified of suspension may, within ten  
197 (10) days after receipt of such notification, make a written  
198 request to the department for a hearing, and such request shall  
199 operate as a stay of any suspension pending the outcome of such  
200 hearing. For the purposes of this section, the scope of such  
201 hearing shall cover the issues of whether there is a reasonable  
202 probability of a judgment being rendered against such person in a  
203 lawsuit arising out of the accident and whether such person is

204 exempt from the requirement of depositing security under  
205 subsection (4) of this section. At such hearing the department  
206 may also consider the amount of security required to be deposited,  
207 if any. The hearing shall be in accordance with rules and  
208 regulations \* \* \* adopted by the department and furnished to the  
209 operator or owner with the notice of suspension. For the purposes  
210 of this section, a "hearing" may consist of a determination of  
211 such issues by the department based solely on written reports  
212 submitted by the operator or owner and by investigatory officers,  
213 if the owner or operator, in his written request to the department  
214 for a hearing, has expressly consented to such \* \* \* hearing and  
215 that the department has consented thereto.

216 Any person whose suspension has been sustained may appeal as  
217 provided in Section 63-15-7, Mississippi Code of 1972. However,  
218 the suspension shall not be stayed by the department or any court  
219 while such appeal is pending.

220 (4) Subsections (1) and (2) of this section do not apply:  
221 (a) to the operator or owner if the owner had in effect at the  
222 time of such accident a liability policy with respect to the motor  
223 vehicle involved in such accident; (b) to the operator, if not the  
224 owner of the motor vehicle, if there was in effect at the time of  
225 such accident a liability policy with respect to his operation of  
226 motor vehicles not owned by him; (c) to the operator or owner if  
227 the liability of the operator or owner for damages resulting from  
228 such accident is, in the judgment of the department, covered by  
229 any other form of liability insurance policy or bond of a surety  
230 company authorized to do business in this state; or (d) to any  
231 person qualifying as a self-insurer under Section 63-15-53,  
232 Mississippi Code of 1972, or to any person operating a motor  
233 vehicle for such self-insurer \* \* \*.

234 No such policy shall be effective under this section unless  
235 issued by an insurance company or surety company authorized to  
236 write motor vehicle liability insurance in this state, except that

237 if such motor vehicle was not registered in this state, or was a  
238 motor vehicle which was registered elsewhere than in this state at  
239 the effective date of the policy or the most recent renewal  
240 thereof, such policy shall not be effective under this section  
241 unless the insurance company or surety company if not authorized  
242 to do business in this state shall execute a power of attorney  
243 authorizing the department to accept service on its behalf of  
244 notice or process in any action upon such policy arising out of  
245 such accident. However, every such policy shall be subject, if  
246 the accident has resulted in bodily injury or death, to a minimum  
247 limit, exclusive of interest and cost, of an amount required for  
248 proof of financial responsibility \* \* \*.

249 SECTION 4. Section 63-15-13, Mississippi Code of 1972, is  
250 amended as follows:

251 63-15-13. The requirements as to security and suspension for  
252 failure to deposit security in Section 63-15-11, Mississippi Code  
253 of 1972, shall not apply: (1) to the operator or owner of a motor  
254 vehicle, properly insured as required by this chapter, involved in  
255 an accident wherein no injury or damage was caused to the person  
256 or property of anyone other than such operator or owner; or (2)  
257 if, prior to the date that the department would otherwise suspend  
258 license and registration or nonresident's operating and use  
259 privilege under Section 63-15-11, Mississippi Code of 1972, there  
260 shall be filed with the department evidence satisfactory to it  
261 that the person who would otherwise have to file security has been  
262 finally adjudicated not to be liable or has executed a duly  
263 acknowledged written agreement providing for the payment of an  
264 agreed amount in installments, with respect to all claims for  
265 injuries or damages resulting from the accident and that the  
266 person was properly insured as otherwise required by this chapter.

267 Nevertheless, the requirements as to furnishing proof of  
268 financial responsibility and suspension for failure to furnish  
269 same in Section 63-15-11, Mississippi Code of 1972, shall apply

270 notwithstanding any provision of this section.

271 SECTION 5. Section 63-15-29, Mississippi Code of 1972, is  
272 amended as follows:

273 63-15-29. \* \* \* A license and nonresident's operating  
274 privilege shall remain \* \* \* suspended and shall not be renewed,  
275 nor shall any such license be thereafter issued in the name of  
276 such person, including any such person not previously licensed,  
277 unless and until every such judgment is stayed, satisfied in full  
278 or to the extent required and until the \* \* \* person gives proof  
279 of financial responsibility subject to the exemptions stated in  
280 Sections 63-15-27 and 63-15-33, Mississippi Code of 1972.

281 \* \* \*

282 SECTION 6. Section 63-15-31, Mississippi Code of 1972, is  
283 amended as follows:

284 63-15-31. Judgments referred to in this chapter shall, for  
285 the purpose of this chapter only, be deemed satisfied:

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

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

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

300 However, payments made in settlement of any claims because of  
301 bodily injury, death or property damage arising from a motor  
302 vehicle accident shall be credited in reduction of the amounts

303 provided for in this section.

304 SECTION 7. Section 63-15-43, Mississippi Code of 1972, is  
305 amended as follows:

306 63-15-43. (1) A "motor vehicle liability policy" as the  
307 term is used in this chapter means an owner's or an operator's  
308 policy of liability insurance, certified as provided in Section  
309 63-15-39 or Section 63-15-41, as proof of financial  
310 responsibility, and issued, except as otherwise provided in  
311 Section 63-15-41, by an insurance company duly authorized to write  
312 motor vehicle liability insurance in this state, to or for the  
313 benefit of the \* \* \* insured.

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

315 (a) Shall designate by explicit description or by  
316 appropriate reference all motor vehicles \* \* \* to which coverage  
317 is extended.

318 (b) Shall pay on behalf of the insured \* \* \* and any  
319 other person, as insured, using any such motor vehicle or motor  
320 vehicles with the express or implied permission of such named  
321 insured, all sums which the insured shall become legally obligated  
322 to pay as damages arising out of the ownership, maintenance or use  
323 of such motor vehicle or motor vehicles within the United States  
324 of America or the Dominion of Canada, subject to limits exclusive  
325 of interest and costs, required for proof of financial  
326 responsibility for each \* \* \* motor vehicle \* \* \*.

327 (3) Such operator's policy of liability insurance shall pay  
328 on behalf of the insured named therein all sums which the insured  
329 shall become legally obligated to pay as damages arising out of  
330 the use by him of any motor vehicle not owned by him, within the  
331 same territorial limits and subject to the same limits of  
332 liability as are set forth above with respect to an owner's policy  
333 of liability insurance.

334 (4) Such motor vehicle liability policy shall state the name  
335 and address of the named insured, the coverage afforded by the

336 policy, the premium charged therefor, the policy period and the  
337 limits of liability, and shall contain an agreement or be endorsed  
338 that insurance is \* \* \* in accordance with the coverage defined in  
339 this chapter as respects bodily injury and death or property  
340 damage, or both, and is subject to all the provisions of this  
341 chapter.

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

343 (a) Any obligation for which the insured or any company  
344 as his insurer may be held liable under any workers' compensation  
345 law;

346 (b) Any liability on account of bodily injury to or  
347 death of any employee of the insured while engaged in the  
348 employment, other than domestic, of the insured, or in domestic  
349 employment if benefits \* \* \* are either payable or required to be  
350 provided under any workers' compensation law; or

351 (c) Any liability because of injury to or destruction  
352 of property owned by, rented to, in charge of or transported by  
353 the insured.

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

356 (a) The liability of the insurance company for the  
357 insurance required by this chapter shall become absolute whenever  
358 injury or damage covered by the motor vehicle liability policy  
359 occurs; the policy may not be cancelled or annulled as to such  
360 liability by any agreement between the insurance company and the  
361 insured after the occurrence of the injury or damage; no statement  
362 made by the insured or on his behalf and no violation of the  
363 policy shall defeat or void the policy;

364 (b) The satisfaction by the insured of a judgment for  
365 such injury or damage shall not be a condition precedent to the  
366 right or duty of the insurance company to make payment on account  
367 of such injury or damage;

368 (c) The insurance company shall have the right to

369 settle any claim covered by the policy, and if such settlement is  
370 made in good faith, the amount \* \* \* shall be deductible from the  
371 limits of liability specified in paragraph (b) of subsection (2)  
372 of this section; or

373 (d) The policy, the written application therefor, if  
374 any, and any rider or endorsement which does not conflict with  
375 this chapter shall constitute the entire contract between the  
376 parties.

377 (7) Any policy which grants the coverage required for a  
378 motor vehicle liability policy may also grant any lawful coverage  
379 in excess of or in addition to the coverage specified for a motor  
380 vehicle liability policy, and such excess or additional coverage  
381 shall not be subject to \* \* \* this chapter. If a policy \* \* \*  
382 grants such excess or additional coverage, the term "motor vehicle  
383 liability policy" shall apply only to that part of the coverage  
384 which is required by this section.

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

389 (9) Any motor vehicle liability policy may provide for the  
390 prorating of the insurance thereunder with other valid and  
391 collectible insurance.

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

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

398 SECTION 8. Section 63-15-51, Mississippi Code of 1972, is  
399 amended as follows:

400 63-15-51. (1) Proof of financial responsibility may be  
401 evidenced by the certificate of the State Treasurer that the

402 person named therein has deposited with him \* \* \* in cash, or  
403 securities such as may legally be purchased by savings banks or  
404 for trust funds in an amount required for proof of financial  
405 responsibility. The State Treasurer shall not accept any such  
406 deposit and issue a certificate therefor and the department shall  
407 not accept such certificate unless accompanied by evidence that  
408 there are no unsatisfied judgments of any character against the  
409 depositor in the county where the depositor resides.

410 (2) Such deposit shall be held by the State Treasurer to  
411 satisfy, in accordance with \* \* \* this chapter, any execution on a  
412 judgment issued against such person making the deposit, for  
413 damages, including damages for care and loss of services, because  
414 of bodily injury to or death of any person, or for damages because  
415 of injury to or destruction of property, including the loss of use  
416 thereof, resulting from the ownership, maintenance, use or  
417 operation of a motor vehicle after such deposit was made. Money  
418 or securities so deposited shall not be subject to attachment or  
419 execution unless such attachment or execution shall arise out of a  
420 suit for damages as aforesaid.

421 SECTION 9. This act shall take effect and be in force from  
422 and after January 1, 2000.