

By: Warren, Stringer

To: Insurance

HOUSE BILL NO. 775

1 AN ACT TO REQUIRE COMPULSORY MOTOR VEHICLE LIABILITY  
2 INSURANCE OR OTHER SECURITY FOR EVERY SELF-PROPELLED MOTOR VEHICLE  
3 REGISTERED IN THIS STATE; TO PROVIDE EXCEPTIONS; TO PROVIDE FORMS  
4 OF SECURITY; TO PROVIDE THAT PERSONS APPLYING FOR A DRIVER'S  
5 LICENSE SHALL PROVIDE PROOF OF COMPLIANCE; TO PROVIDE PENALTIES  
6 FOR NONCOMPLIANCE BY REVOKING THE REGISTRATION OF THE VEHICLE OR  
7 IMPOUNDING OR CANCELING THE VEHICLE'S LICENSE PLATE; TO PROVIDE  
8 REINSTATEMENT FEES; TO PROVIDE NOTICE AND HEARING REQUIREMENTS; TO  
9 REQUIRE LAW ENFORCEMENT OFFICERS, WHEN STOPPING A VEHICLE TO  
10 DETERMINE IF THE OWNER OR LESSEE OF THE VEHICLE IS IN COMPLIANCE  
11 AND TO PROVIDE THAT THE VEHICLE SHALL BE IMPOUNDED IF THE OPERATOR  
12 IS UNABLE TO SHOW COMPLIANCE; TO REQUIRE SECURITY PROVIDERS TO  
13 NOTIFY THE COMMISSIONER OF PUBLIC SAFETY WHEN SUCH SECURITY IS  
14 TERMINATED; TO RESTRICT RECOVERY FOR PERSONS INJURED IN MOTOR  
15 VEHICLE ACCIDENTS WHO ARE NOT IN COMPLIANCE WITH THIS ACT; AND FOR  
16 RELATED PURPOSES.

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

18 SECTION 1. (1) Every self-propelled motor vehicle  
19 registered in this state except those motor vehicles used as  
20 agricultural or forest vehicles during seasons when they are not  
21 used on the highway, those used primarily for exhibit or kept  
22 primarily for use in parades, exhibits or shows and lease-bound  
23 mobile rig haulers as defined in this section shall be covered by  
24 an automobile liability policy with liability limits, or a binder  
25 for same, or by a motor vehicle liability bond or by a certificate  
26 of the State Treasurer, stating that cash or securities have been  
27 deposited with the Treasurer or by a certificate of  
28 self-insurance, as provided by Section 63-15-37.

29           (2) It shall be the duty of the registered owner of a motor  
30 vehicle to maintain the security required herein. Failure to  
31 maintain the security shall subject the registered owner to the  
32 sanctions hereinafter provided.

33           (3) "Lease-bound mobile rig hauler" as used in this section  
34 means a winch or crew truck in excess of twenty-six thousand  
35 (26,000) pounds which meets the following description:

36           (a) The hauler is operated on the highways of  
37 Mississippi only for the purpose of hauling mobile workover rigs  
38 or any accessories for a mobile workover rig within a ten-mile  
39 radius of the operator's oil and gas lease.

40           (b) The haulers are covered under a general liability  
41 policy, issued by an insurance company authorized to do business  
42 in the state, with liability coverage and limits equal to or  
43 greater than those defined in Section 63-15-3.

44           SECTION 2. (1) The Commissioner of Public Safety,  
45 hereinafter "commissioner" shall adopt rules to implement the  
46 provisions of this section. The rules shall provide that  
47 documentation of insurance or other security shall be required for  
48 proof of compliance. The rules shall require that the original or  
49 a copy of one (1) of the following documents be produced as  
50 documentation of insurance: an insurance card; an insurance  
51 policy; or the declarations page of the insurance policy showing  
52 coverages. The rules shall require insurance and security  
53 companies to issue cards or similar documents which indicate the  
54 existence of insurance or security coverage, may establish the  
55 form for the cards or similar documents and may establish the form  
56 for the written declarations required by this section.

57           (2) The provisions of this section with regard to the  
58 documentation of insurance requirements shall not apply to new and  
59 used automobile dealers as defined by law. However, the rules

60 shall provide for the use of affidavits to prove compliance when  
61 registration is sought by a licensed new or used motor vehicle  
62 dealer on behalf of a customer.

63 (3) The provisions of this subsection shall not apply to  
64 renewals of registration by mail.

65 (4) Each person who applies for the registration of a motor  
66 vehicle, or who applies for the renewal of a registration of a  
67 motor vehicle, or who applies for a motor vehicle inspection  
68 certificate shall provide proof of compliance and shall declare in  
69 writing that the applicant shall remain in compliance during the  
70 time for which the registration, the renewal of registration, or  
71 the certificate is issued.

72 (5) Each adult person who applies for a driver's license  
73 shall"

74 (a) Provide proof of compliance and declare in writing  
75 that the applicant shall remain in compliance during the time for  
76 which the license is issued; or

77 (b) Declare in writing that the applicant does not own  
78 a motor vehicle which is currently registered or licensed in this  
79 state or any other state or in any territory.

80 (6) When a minor person applies for a driver's license, the  
81 parent or guardian who has custody of the minor applicant shall:

82 (a) Provide proof of compliance for both the minor  
83 applicant and the parent or guardian, and declare in writing that  
84 the minor applicant and the parent or guardian shall remain in  
85 compliance during the time for which the license is issued; or

86 (b) Declare in writing that the parent or guardian does  
87 not own a motor vehicle which is currently registered or licensed

88 in this state or in any other state or in any territory.

89 (7) As used in subsections (5) and (6) of this section, an  
90 application for a driver's license includes an initial  
91 application, an application for renewal and an application for  
92 reissue to change the address of the applicant, to change any  
93 other information concerning the applicant or to change the  
94 endorsements held by the applicant.

95 (8) The prohibited actions and penalties for violations  
96 thereof are as follows:

97 (a) No person shall provide false or fraudulent  
98 information or documents or make false or fraudulent  
99 representations in connection with any application for the  
100 registration of a motor vehicle or for a renewal of a registration  
101 of a motor vehicle or for a motor vehicle inspection certificate  
102 or for a driver's license.

103 (b) No person shall make a false declaration or execute  
104 a false affidavit in response to the requirements of this section.

105 (c) No person shall alter or counterfeit any card or  
106 similar document used to show proof of compliance.

107 (d) Whoever violates the provisions of this subsection  
108 shall be fined not more than One Thousand Dollars (\$1,000.00) and  
109 shall be required to perform not less than forty (40) hours nor  
110 more than two hundred (200) hours of community service.

111 (e) When the commissioner finds that any person has  
112 violated the provisions of this subsection, the commissioner may  
113 suspend, revoke or cancel the driver's license held by the  
114 offender and may suspend, revoke or cancel the registration of  
115 each motor vehicle owned by the offender.

116           (9) No action taken by any person, whether private citizen  
117 or public officer or employee, with regard to any license,  
118 registration or inspection certificate, or with regard to any  
119 document which indicates compliance with this section, shall  
120 create a presumption of the existence of insurance coverage or be  
121 construed by any court as a warranty of the reliability or  
122 accuracy of the document or create any liability on the part of  
123 the state, or on the part of any department, office or agency of  
124 the state, or on the part of any officer, employee or agent of the  
125 state.

126           SECTION 3. (1) Except as provided herein, when the  
127 commissioner determines that a vehicle is not covered by security  
128 as required by this act or that the owner or lessee has allowed  
129 the required security to lapse, he shall revoke the registration  
130 of the vehicle, impound or cancel the vehicle's license plate.

131           (2) Should the commissioner determine that any person,  
132 whether in his application for registration of a motor vehicle or  
133 in his application for a motor vehicle inspection or otherwise has  
134 submitted false information that the motor vehicle was covered by  
135 the security required by this act, the commissioner shall impose  
136 upon the owner or owner's lessee the sanctions set forth herein.

137           (3) In the case of a first violation, sanctions shall be  
138 imposed for a period of three (3) days. In the case of a second  
139 or subsequent violation, sanctions shall be imposed for a period  
140 of not less than thirty (30) days nor more than twelve (12)  
141 months. In no event shall these sanctions be removed until such  
142 time as proof of the required security is provided along with all  
143 appropriate fees required by law, including a reinstatement fee of

144 Twenty-five Dollars (\$25.00) for a first violation, One Hundred  
145 Dollars (\$100.00) for a second violation, and Two Hundred Dollars  
146 (\$200.00) for a third or subsequent violation, provided the  
147 offenses occurred within a five-year period. The reinstatement  
148 fee shall not be owed for an alleged violation when proof of the  
149 required security is provided. The first offense occurring after  
150 five (5) years from the prior first offense shall be deemed to be  
151 a first offense.

152 (4) Fees shall be paid to the Department of Safety, who  
153 shall remit them to the State Treasurer to be credited to the  
154 State General Fund.

155 (5) The sanctions shall not be imposed, and any fine, fee or  
156 other monetary sanction which has been remitted shall be promptly  
157 refunded to the person who paid it, if the owner or lessee  
158 furnishes:

159 (a) An original or photocopy of a Mississippi auto  
160 insurance identification card showing that the required security  
161 is in effect on the vehicle and has been continuous without lapse  
162 or an original or photocopy of any written communication from an  
163 insurer to the insured stating that the required security is in  
164 effect on the vehicle and has been continuous without lapse, any  
165 one of which shall constitute sufficient evidence that the  
166 required security on the vehicle has not lapsed; or

167 (b) If such evidence is not furnished by the owner or  
168 lessee, any other evidence satisfactory to the secretary, that:

169 (i) The vehicle was at the time in question in  
170 fact covered by the required security or else has newly been  
171 covered by security as required herein within ten (10) days of the

172 initiation of termination or cancellation of previous security;

173 and

174 (ii) The vehicle is currently covered by security  
175 as required by law; and

176 (iii) The vehicle was not involved in an accident  
177 during the period when it was not covered by security.

178 (c) If the person applies for a registration during the  
179 same period for which the surrendered plate would have been valid,  
180 credit shall be applied toward the purchase of a new plate. The  
181 credit shall be equal to the amount paid for the most recent  
182 registration of the motor vehicle multiplies by as fraction, the  
183 numerator of which is the unused months of registration and the  
184 denominator of which is the number of months for which  
185 registration was issued.

186 (6) (a) When the commissioner seeks to impose the sanctions  
187 required in this section, he shall send written notice to the  
188 owner, lessee or other person against whom sanctions are intended  
189 at the last address furnished to the department. A notice of  
190 noncompliance, issued by a law enforcement officer shall serve as  
191 notice to the owner, lessee or other person. Before imposition of  
192 such sanctions, a hearing may be requested within ten (10) days  
193 from the date of notice. Sanctions shall not be imposed until all  
194 rights for appeal have expired or been exhausted.

195 (b) At the hearing, the commissioner shall consider the  
196 correctness of his initial determination with regard to  
197 petitioner's violation of this section. Should the commissioner  
198 find that his initial determination with regard to such a  
199 violation was correct, the suspension and revocation ordered by

200 him shall be maintained and given effect. The commissioner shall  
201 rescind an ordered revocation and suspension only if he finds that  
202 petitioner violated no provision of this section, and that the  
203 initial determination made by the commissioner was incorrect.

204 (c) If revocation and suspension is proper, upon a  
205 showing of proof satisfactory to the commissioner that a person's  
206 livelihood requires the use of a motor vehicle for purposes other  
207 than transportation to and from the workplace, that use of such  
208 motor vehicle is an integral and inseparable aspect of his job and  
209 that suspension of driving privileges would thereby prevent the  
210 earning of a livelihood; the commissioner may, after revocation of  
211 the registration of the vehicle, suspension of the driving  
212 privileges and after confiscating the driver's license and license  
213 plates of such persons, issue to first offenders a special  
214 operator's permit, appropriately identified as such, which would  
215 authorized the holder to drive a vehicle belonging to his  
216 employer, and only in the regular course of his duties, provided  
217 that:

218 (i) The licensee shall be permitted to operate his  
219 employer's vehicle only within the geographic area identified in  
220 the special permit required for the earning of a livelihood;

221 (ii) Such operation shall be restricted to regular  
222 hours of employment, which hours shall be indicated on the special  
223 permit; and

224 (iii) Required security is demonstrated covering  
225 both the vehicle and the driver, and proof of such security is  
226 kept with operator and vehicle during operation.

227 A violation of the restrictions of the special permit or a



228 subsequent determination of noncompliance with any provision of  
229 this section by the commissioner during the term of the restricted  
230 license shall result in the extension of the period of revocation  
231 and suspension for one (1) year from the date upon which the  
232 licensee would otherwise have been able to apply for a new  
233 license.

234 (d) Within ten (10) days after a person has exhausted  
235 his remedies with the commissioner, he shall have the right to  
236 file a petition in the district court in the county of his  
237 domicile for review of the final order of revocation and  
238 suspension. The court may exercise any action it deems  
239 appropriate.

240 (e) The department may promulgate rules and regulations  
241 necessary to offset the administrative cost of this section not to  
242 exceed Twenty-five Dollars (\$25.00).

243 (7) (a) When the driving privileges or vehicle registration  
244 of a person are suspended or revoked under this section, his  
245 driving privileges shall remain suspended and his vehicle  
246 registration shall remain revoked, and no driving privileges,  
247 including a special operator's permit as provided in subsection  
248 (6) of this section, shall be issued or motor vehicle registered  
249 to that person unless the person files proof of future financial  
250 responsibility on Form SR22 accompanied by a fee of Twenty-five  
251 Dollars (\$25.00) with the commissioner with respect to the motor  
252 vehicles registered in his name. There shall be no filing fee  
253 required if the vehicle owner shows that he had, and presently  
254 has, liability insurance as provided by this act, or if he shows  
255 that there was a lapse in liability insurance for a period not in

256 excess of ten (10) calendar days.

257 (b) Such proof of future financial responsibility shall  
258 be maintained for three (3) years after the date of filing.

259 (8) When sanctions have been imposed under this section, no  
260 driving privileges, including a special operator's permit as  
261 provided in subsection (6) of this section shall be issued, nor  
262 shall that vehicle be registered to any person, unless the person  
263 pays all fees required by this section.

264 SECTION 4. (1) No owner or lessee of a self-propelled motor  
265 vehicle registered in this state, except a motor vehicle used  
266 primarily for exhibit or kept primarily for use in parades,  
267 exhibits or shows, or agricultural or forest use vehicles during  
268 seasons when they are not used on the highways, shall operate or  
269 allow the operation of such vehicle upon any public road, street  
270 or highway in this state unless there is contained within the  
271 vehicle one of the following documents evidencing that the motor  
272 vehicle is in compliance with compulsory motor vehicle liability  
273 security:

274 (a) A certificate of insurance. "Certificate" means  
275 the written evidence of motor vehicle liability insurance that is  
276 in the form of one of the following:

277 (i) An identification card issued by an insurer to  
278 its insured which shall contain the following information:

279 The name and address of the insurance company;

280 The insurance policy number;

281 A description of the motor vehicle insured under the policy;

282 The effective date and the expiration date of the policy; and

283 The name of any person who is excluded from coverage.

284                   (ii) A motor vehicle liability insurance policy or  
285 a duplicate original thereof.

286                   (iii) A motor vehicle liability insurance policy  
287 binder or a duplicate original thereof.

288                   (b) A duplicate original of a motor vehicle liability  
289 bond which complies with the requirements for a motor vehicle  
290 liability bond set forth in Section 63-15-49.

291                   (c) A certificate of the State Treasurer stating that  
292 cash or securities have been deposited with the Treasurer as  
293 provided for under Section 63-15-51.

294                   (d) A certificate of self-insurance issued under  
295 Section 63-15-53.

296           (2) When a law enforcement officer stops a vehicle at an  
297 administrative violations checkpoint, or in connection with an  
298 alleged violation of the law, or for any other reason, or when a  
299 law enforcement officer investigates an accident, the law  
300 enforcement officer shall determine if the owner or lessee of each  
301 vehicle is in compliance with the provisions of this section which  
302 require evidence of liability insurance or other security to be  
303 contained in the vehicle. If the owner or lessee is not in  
304 compliance with those provisions, the law enforcement officer  
305 shall take the actions specified in this section.

306           (3) (a) If the operator of a motor vehicle is unable to  
307 show compliance with this section by displaying the required  
308 document when requested to do so, the motor vehicle shall be  
309 impounded and the operator shall be issued a notice of  
310 noncompliance on a form to be provided by the department. A copy  
311 of the notice of noncompliance shall be provided to the towing or

312 storage company and a copy shall be forwarded to the Department of  
313 Public Safety within three (3) calendar days after the notice of  
314 noncompliance was served. The notice of noncompliance shall serve  
315 as notice of administrative hearings rights. In addition, the law  
316 enforcement officer shall remove the license plate from the  
317 vehicle. The law enforcement officer shall deliver the vehicle  
318 license plate to the chief of the agency which employs the  
319 officer, or to a person in that agency designated to receive such  
320 license plates. In those cases in which a motor vehicle is not  
321 impounded, a copy of the notice of noncompliance shall be attached  
322 to the vehicle license plate and both shall be delivered to the  
323 Department of Public Safety within three (3) calendar days after  
324 the notice of noncompliance was served.

325 (b) The owner of the vehicle shall have three (3)  
326 calendar days, excluding Saturdays, Sundays and legal holidays,  
327 from the date that the notice of noncompliance was issued to  
328 present to the Department of Public Safety proof of insurance  
329 coverage or security in effect at the time of the issuance of the  
330 notice of noncompliance. If the vehicle was properly insured at  
331 the time the notice was issued, any valid license plate shall be  
332 returned within forty-eight (48) hours, exclusive of legal  
333 holidays, to the owner of the vehicle at no cost to the owner.  
334 However, if the owner fails to provide proof of the fact that the  
335 vehicle was properly insured at the time the notice of  
336 noncompliance was issued, the Department of Public Safety shall  
337 destroy, or shall cause to be destroyed, the license plate removed  
338 from that owner's vehicle.

339 (c) For a first offense there shall be a reinstatement

340 fee of Fifty Dollars (\$50.00), for a second offense there shall be  
341 a reinstatement fee of One Hundred Fifty Dollars (\$150.00), and  
342 for any subsequent offense there shall be a reinstatement fee of  
343 Five Hundred Dollars (\$500.00). The reinstatement fee contained  
344 herein shall be in addition to other appropriate registration fees  
345 allowed by law and reinstatement shall depend upon proof of  
346 compliance with the compulsory liability law.

347 (d) In those cases in which the motor vehicle is not  
348 impounded, any law enforcement officer who removes and takes a  
349 license plate pursuant to the provisions of this section shall  
350 issue for attachment to the rear end of the vehicle, a temporary  
351 sticker denoting its use in lieu of an official license plate.  
352 The sticker shall bear the date upon which it was issued in  
353 written or stamped numerals or letters not less than three (3)  
354 inches in height. This temporary sticker shall only be effective  
355 for a period of three (3) calendar days beginning from the day on  
356 which the license plate is taken.

357 (e) The temporary stickers required by this section  
358 shall be designed and produced by the Department of Public Safety,  
359 and the department shall supply such stickers, at no cost, to all  
360 law enforcement agencies authorized by law to enforce traffic  
361 laws.

362 (f) The Department of Public Safety shall formulate and  
363 promulgate rules and regulations for the implementation of the  
364 provisions of this section. To this end, no license shall be  
365 taken or destroyed pursuant to the authority granted in this  
366 section until such rules are properly promulgated in accordance  
367 with law. However, this limitation shall not be construed so as

368 to otherwise limit the enforcement of laws relative to operating a  
369 vehicle without proper insurance or security.

370 (g) The administrative hearing shall be limited to  
371 review of the issue of whether the vehicle was covered by a valid  
372 policy of insurance at the time of the alleged violation. The  
373 records of the department on the particular violation shall be  
374 prima facie proof of the violation, and the owner or operator  
375 shall have the burden of proving that the vehicle was covered by a  
376 valid policy of insurance or was self-insured pursuant to this act  
377 at the time of the violation. The owner or operator may subpoena  
378 any witness to appear at the hearing, including the officer  
379 issuing the violation, to establish that the owner or operator was  
380 in compliance with the law at the time of the alleged violation.  
381 A request for a hearing shall not stay the sanctions required by  
382 this act. If it is determined at the administrative hearing that  
383 the vehicle was covered by a valid policy of insurance or was  
384 self-insured pursuant to this act at the time of the violation,  
385 but that such proof was not presented to the law enforcement  
386 officer at the time the vehicle was impounded, then the vehicle  
387 owner shall be required to pay the storage and wrecker fees of the  
388 person or company who impounded and towed the subject vehicle.

389 (h) The department or other agency that conducts the  
390 hearings shall promulgate such rules and regulations as are  
391 necessary to implement the requirements of this section. No court  
392 shall issue an injunction, stay or other process preventing the  
393 enforcement of the sanctions required by this act pending the  
394 hearing provided for in this act.

395 (i) The impounded vehicle shall remain impounded and

396 the registration shall remain suspended until such time as proof  
397 of valid insurance is given to the Department of Public Safety.  
398 Notwithstanding any other provision of law to the contrary, in no  
399 event shall a car be released from impoundment until such time as  
400 proof, in writing, has been presented from the Department of  
401 Public Safety that all penalties, fees, fines and requirements of  
402 this section have been met.

403 (j) In those instances when there is a passenger in the  
404 motor vehicle under the age of twelve (12) or when the driver or a  
405 passenger in the motor vehicle is handicapped or when considering  
406 the location and the time of day of the stop, the law enforcement  
407 officer perceives that there would be a threat to the public  
408 safety or to the occupants in the motor vehicle, such law  
409 enforcement officer enforcing the provision of this section may in  
410 lieu of the impoundment provisions of this section, seize the  
411 license plate and issue a temporary sticker valid for three (3)  
412 calendar days. Upon expiration of the sticker, the vehicle shall  
413 not be driven until the owner has complied with the requirements  
414 of this section. In the event the vehicle is being driven after  
415 the expiration of the temporary sticker provided for herein, the  
416 vehicle shall be immediately impounded pursuant to the provisions  
417 of this section.

418 (4) Before reinstatement of registration and license plate  
419 privileges to any individual who cannot prove the required  
420 insurance coverage or security in effect at the time of the  
421 offense within three (3) calendar days after the offense, the  
422 Department of Public Safety shall collect a reinstatement fee of  
423 Ten Dollars (\$10.00) to offset the costs of administering this

424 section. This ten-dollar fee shall be in addition to any other  
425 fines, fees or penalties owed before reinstatement of privileges.

426 (5) In the case where the driver is a minor child, the owner  
427 of the vehicle shall be responsible under this section. If the  
428 owner of the vehicle is the minor child, the parents of the minor  
429 child shall be jointly subject to the provisions of this section  
430 along with the minor child, unless the minor has been adjudicated,  
431 emancipated or is in the sole custody of another or only one (1)  
432 parent under the law. If the minor is in the sole custody of  
433 another or only one (1) parent under the law, the person or parent  
434 in whose sole custody the child has been placed shall be jointly  
435 responsible with the minor child under this section.

436 (6) The only acceptable means of proof of a valid and  
437 current policy of insurance shall be one of the following:

438 (a) The insurance identification card, declaration page  
439 or policy issued by the insurer.

440 (b) In the case of a self-insured vehicle, the  
441 certificate of self-insurance issued by the Department of Public  
442 Safety.

443 (c) The records of the Department of Public Safety, if  
444 such records reflect that the motor vehicle is covered by a valid  
445 and current policy of liability insurance.

446 (d) The law enforcement officer making the stop has a  
447 reasonable belief that the motor vehicle is covered by a valid and  
448 current policy of liability insurance.

449 (7) (a) Every owner or lessee of a self-propelled motor  
450 vehicle registered in another state which is involved in a traffic  
451 accident or collision in Mississippi shall provide one of the



452 documents comparable to those listed herein evidencing that the  
453 motor vehicle is covered by a valid policy of automobile  
454 insurance. If the operator of the motor vehicle is unable to show  
455 such proof, a notice of noncompliance shall be issued.

456 (b) If the operator of the motor vehicle is issued a  
457 notice of noncompliance, the owner of the vehicle shall have  
458 thirty (30) working days from the date that the notice of  
459 noncompliance was issued to present proof that insurance coverage  
460 was in effect at the time of the issuance of the notice of  
461 noncompliance or proof that insurance coverage was not required by  
462 the state in which the vehicle was registered.

463 (c) If the owner fails to provide the proof required  
464 herein, there shall be a fine of Fifty Dollars (\$50.00) for a  
465 first offense, a fine of One Hundred Fifty Dollars (\$150.00) for a  
466 second offense and a fine of Five Hundred dollars (\$500.00) for  
467 any subsequent offense.

468 SECTION 5. (1) All entities providing security in  
469 compliance with this act, hereinafter referred to as "security  
470 providers," whether admitted or nonadmitted, surplus line  
471 underwriter, insurance companies providing automobile liability  
472 policies or sales representatives or agents of surety companies  
473 issuing motor vehicle liability bonds or the State Treasurer  
474 holding deposits shall notify the commissioner of the effective  
475 dates of each liability policy, liability bond, deposit or other  
476 security within fifteen (15) business days from the date such  
477 policy, bond, deposit or other security was issued or made.

478 (2) All such security providers shall notify the  
479 commissioner when any policy, bond, deposit or other item of

480 security is terminated, withdrawn, canceled, lapsed or otherwise  
481 made ineffective within fifteen (15) business days of the date the  
482 security became ineffective.

483 (3) Beginning January 1, 2000, the information required by  
484 this section shall be in the form required by the commissioner,  
485 who may require by regulation such information as the driver's  
486 license number of the owner or lessee of the vehicle and of the  
487 named insureds, together with the complete vehicle identification  
488 number and a description of each vehicle.

489 (4) If any cancellation of a motor vehicle liability policy  
490 occurs at the request of the insured, the insurer is not obligated  
491 to cancel such policy earlier than ten (10) days before receipt by  
492 the insurer of such request.

493 (5) If any cancellation of a motor vehicle liability  
494 insurance policy occurs as a result of the rescission or other  
495 cancellation of the sale of the motor vehicle on which the policy  
496 is issued, the insurer shall notify the commissioner of the  
497 cancellation and the circumstances of the cancellation and the  
498 insured shall not be liable for any penalty or fee imposed or  
499 failure to maintain the security required by law.

500 (6) Upon failure of a security provider to provide the  
501 commissioner with the information required by this section, the  
502 insurance company, sales representative or agent, State Treasurer  
503 or other provider shall be assessed a fee of not more than Fifty  
504 Dollars (\$50.00) per policy, bond or deposit or other security  
505 item concerning which information is not supplied.

506 (7) The commissioner shall keep a record of the information  
507 received from security providers concerning coverage of vehicles

508 and persons by security, which information may be stored through  
509 automated electronic data processing means. After the department  
510 has complete vehicle liability security records, upon written  
511 request including the driver's license number for each person, the  
512 vehicle identification number for each vehicle, and the payment of  
513 a fee of Fifteen Dollars (\$15.00) for each vehicle owned by a  
514 person about which inquiry is made, the commissioner shall forward  
515 to the inquiring party such vehicle and driver liability security  
516 information as is contained in the records of the department. If  
517 the department's search of its records fails to show the existence  
518 of any liability insurance or other security as of the date about  
519 which inquiry is made, an official of the department shall issue a  
520 sworn, notarized affidavit to that effect. Such an affidavit  
521 shall be prima facie evidence that on the date in question, the  
522 person or vehicle about which inquiry was made did not have in  
523 effect a policy of liability insurance or other security as  
524 required by law.

525 (8) Notwithstanding any provision of law to the contrary,  
526 when there is a question of fact as to the existence of liability  
527 insurance coverage on a motor vehicle, and the owner of that motor  
528 vehicle has in fact maintained that coverage without lapse, and  
529 the question results from a mistake made by an insurance company  
530 or agent, or by any other entity, the owner of the motor vehicle  
531 shall not be required to pay any reinstatement fee in connection  
532 with any actions taken based on that question of coverage. If a  
533 reinstatement fee is imposed by the state, the reinstatement fee  
534 shall be paid by the agent, company or other entity which made the  
535 mistake.

536           (9) Before taking any administrative action based on the  
537 receipt of a notice of cancellation of insurance or other  
538 security, the commissioner shall notify the person who is the  
539 subject of the notice at his last known driver's license address  
540 of cancellation of the receipt of that notice. The notice of  
541 receipt of a notice of cancellation shall be in writing. The  
542 person to whom the notice is addressed shall have thirty (30) days  
543 to respond to the notice. The response may be made by mail.

544           (10) If the person to whom the notice is addressed is able  
545 to show that the insurance or other security was canceled for a  
546 legitimate reason, the commissioner shall take no administrative  
547 action against that person. Legitimate reasons for cancellation  
548 of insurance or other security shall include but shall not be  
549 limited to the transfer of ownership of the vehicle by sale,  
550 donation, exchange, surrender to a salvage yard or other  
551 transaction. The transfer of ownership of the vehicle may be  
552 established by presenting to the commissioner a copy of the title  
553 transfer or a copy of the act of sale, donation, exchange,  
554 surrender to a salvage yard or other transaction.

555           11) If the original of the document presented as proof of  
556 transfer of ownership has not been notarized, the authenticity of  
557 the document may be established by an affidavit executed by the  
558 person to whom the notice is addressed in which that person  
559 recites the circumstances of the transfer of ownership of the  
560 vehicle and attests to the truthfulness and accuracy of the  
561 document presented as proof of transfer of ownership.

562           SECTION 6. (1) There shall be no recovery for the first Ten  
563 Thousand Dollars (\$10,000.00) of bodily injury and no recovery

564 for the first Ten Thousand dollars (\$10,000.00) of property damage  
565 based on any cause or right of action arising out of a motor  
566 vehicle accident for such injury or damages occasioned by an owner  
567 or operator of a motor vehicle involved in such accident who fails  
568 to own or maintain compulsory motor vehicle liability security.

569 (2) For purposes of this section, the meaning of  
570 "bodily injury" and "property damage" is governed by the  
571 applicable motor vehicle liability insurance policy or, in the  
572 event of security other than an insurance policy, the meaning of  
573 such terms is that which is commonly ascribed thereto.

574 (3) The limitation of recovery provisions of this section do  
575 not apply if the driver of the other vehicle:

576 (a) Is cited for a violation of the Implied Consent Law  
577 as a result of the accident and is subsequently convicted of or  
578 pleads nolo contendere to such offense.

579 (b) Intentionally causes the accident.

580 (c) Flees from the scene of the accident.

581 (d) At the time of the accident, is in furtherance of  
582 the commission of a felony offense under the law.

583 (4) Each person who is involved in an accident in which the  
584 other motor vehicle was not covered by compulsory motor vehicle  
585 liability security and who is found to be liable for damages to  
586 the owner or operator of the other motor vehicle may assert as an  
587 affirmative defense the limitation of recovery provisions of this  
588 section.

589 (5) If the owner of a motor vehicle, who fails to own or  
590 maintain compulsory motor vehicle liability security, institutes  
591 an action to recover damages in any amount, regardless of whether

592 such owner or operator is at fault, and is awarded an amount equal  
593 to or less than the minimum amount of compulsory motor vehicle  
594 liability security, then such owner or operator shall be assessed  
595 and held liable for all court costs incurred by all parties to the  
596 action.

597       (6) Each person who applies for a driver's license,  
598 registers a motor vehicle or operates or owns a motor vehicle in  
599 this state is deemed to have given his consent to be subject to an  
600 governed by the provision of this section. All persons who apply  
601 for the issuance or renewal of a driver's license, motor vehicle  
602 title or motor vehicle registration shall sign a declaration on a  
603 form developed by the Department of Public Safety pursuant to rule  
604 and regulation that the person acknowledges and gives consent to  
605 the requirements and provisions of this section and that the  
606 person shall comply with all provisions of this section and the  
607 Motor Vehicle Safety-Responsibility Law. Proof of whether the  
608 person obtained or signed such declaration is irrelevant to the  
609 application of this section.

610       (7) Nothing in this section shall preclude a passenger in a  
611 vehicle from asserting a claim to recover damages for injury,  
612 death or loss which he occasioned, in whole or in part, by the  
613 negligence of another person arising out of the operation or use  
614 of a motor vehicle. This subsection shall not apply to a  
615 passenger who is also the owner of the uninsured motor vehicle  
616 involved in the accident.

617       (8) (a) Notwithstanding any provision of law to the  
618 contrary, no insurer shall lose any rights of subrogation for  
619 claims paid under the applicable insurance policy for the recovery

620 of any sum in excess of the first Ten Thousand Dollars  
621 (\$10,000.00) of bodily injury and the first Ten Thousand Dollars  
622 (\$10,000.00) of property damages.

623 (b) In claims where no suit is filed, the claimant's  
624 insurer shall have all rights to recover any amount paid by the  
625 claimant's insurer on behalf of the insured for the recovery of  
626 any sum in excess of the first Ten Thousand Dollars (\$10,000.00)  
627 of bodily injury and the first Ten Thousand Dollars (\$10,000.00)  
628 of property damages.

629 (9) Except for newly acquired vehicles added to a policy  
630 subject to the policy terms, the issuance, change or adjustment of  
631 any motor vehicle liability security or insurance policy  
632 subsequent to a motor vehicle accident, without proof of coverage  
633 having been bound before such motor vehicle accident, shall not  
634 effectuate any of the following:

635 (a) The recovery for injury or damages that are  
636 otherwise prohibited under this section.

637 (b) The defeat of any affirmative defense otherwise  
638 allowed under this section.

639 (c) The avoidance of liability for court costs  
640 otherwise required under this section.

641 (10) Reinstatement provisions of a policy during the premium  
642 payment grace period specified in the policy shall not be  
643 invalidated by the provisions of this section.

644 (11) The provisions of this act shall not apply to any  
645 vehicle which is legally parked at the time of the accident.

646 SECTION 2. This act shall take effect and be in force from  
647 and after January 1, 2000.