

By: Senator(s) Kirby, White (29th)

To: Insurance

SENATE BILL NO. 2361  
(As Passed the Senate)

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 \$25,000.00 FOR INJURY TO OR DESTRUCTION OF PROPERTY OF OTHERS; TO  
8 AMEND SECTION 63-15-4, MISSISSIPPI CODE OF 1972, TO DELETE THE  
9 PROVISION OF LAW THAT PROHIBITS A DRIVER FROM BEING STOPPED OR  
10 DETAINED BY A LAW ENFORCEMENT OFFICER SOLELY FOR THE PURPOSE OF  
11 VERIFYING THAT AN INSURANCE CARD IS IN THE MOTOR VEHICLE; AND FOR  
12 RELATED PURPOSES.

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

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

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

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

27 (b) "Judgment" means any judgment which shall have  
28 become final by expiration, without appeal, of the time within  
29 which an appeal might have been perfected, or by final affirmation  
30 on appeal, rendered by a court of competent jurisdiction of any  
31 state or of the United States, upon a cause of action arising out

32 of the ownership, maintenance or use of any motor vehicle, for  
33 damages, including damages for care and loss of services, because  
34 of bodily injury to or death of any person, or for damages because  
35 of injury to or destruction of property, including the loss of use  
36 thereof, or upon a cause of action on an agreement of settlement  
37 for such damages.

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

45 For purposes of this definition, "implements of husbandry"  
46 shall not include trucks, pickup trucks, trailers and semitrailers  
47 designed for use with such trucks and pickup trucks.

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

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

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

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

61 (h) "Owner" means a person who holds the legal title of  
62 a motor vehicle; in the event a motor vehicle is the subject of an  
63 agreement for the conditional sale or lease thereof with the right  
64 of purchase upon performance of the conditions stated in the

65 agreement and with an immediate right of possession vested in the  
66 conditional vendee or lessee or in the event a mortgagor of a  
67 vehicle is entitled to possession, then such conditional vendee or  
68 lessee or mortgagor shall be deemed the owner for the purpose of  
69 this chapter.

70 (i) "Person" means every natural person, firm,  
71 copartnership, association or corporation.

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

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

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

92 (m) "State" means any state, territory or possession of  
93 the United States, the District of Columbia, or any province of  
94 the Dominion of Canada.

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

97           63-15-11. (1) If twenty (20) days after the receipt of a  
98 report of a motor vehicle accident in this state which has  
99 resulted in bodily injury or death, or damage to the property of  
100 any one (1) person in excess of Two Hundred Fifty Dollars  
101 (\$250.00), the department does not have on file evidence  
102 satisfactory to it that the person who would otherwise be required  
103 to file security under subsection (2) of this section has been  
104 finally adjudicated not to be liable, or has executed a duly  
105 acknowledged written agreement providing for the payment of an  
106 agreed amount in installments with respect to all claims for  
107 injuries or damages resulting from the accident, the department  
108 shall determine the amount of security which shall be sufficient  
109 in its judgment to satisfy any judgment or judgments for damages  
110 resulting from such accident as may be recovered against each  
111 operator or owner.

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

130           (3) Any person so notified of suspension may, within ten  
131 (10) days after receipt of such notification, make a written  
132 request to the department for a hearing, and such request shall  
133 operate as a stay of any suspension pending the outcome of such  
134 hearing. For the purposes of this section, the scope of such  
135 hearing shall cover the issues of whether there is a reasonable  
136 probability of a judgment being rendered against such person in a  
137 lawsuit arising out of the accident and whether such person is  
138 exempt from the requirement of depositing security under  
139 subsection (4) of this section. At such hearing the department  
140 may also consider the amount of security required to be deposited,  
141 if any. The hearing shall be in accordance with rules and  
142 regulations which shall be adopted by the department and furnished  
143 to the operator or owner with the notice of suspension. For the  
144 purposes of this section, a "hearing" may consist of a  
145 determination of such issues by the department based solely on  
146 written reports submitted by the operator or owner and by  
147 investigatory officers, provided that the owner or operator, in  
148 his request to the department for a hearing, has expressly  
149 consented to such type hearing and that the department has  
150 consented thereto.

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

155           (4) Subsections (1) and (2) of this section shall not apply:  
156 (1) to such operator or owner if such owner had in effect at the  
157 time of such accident a liability policy with respect to the motor  
158 vehicle involved in such accident; (2) to such operator, if not  
159 the owner of such motor vehicle, if there was in effect at the  
160 time of such accident a liability policy with respect to his  
161 operation of motor vehicles not owned by him; (3) to such operator  
162 or owner if the liability of such operator or owner for damages

163 resulting from such accident is, in the judgment of the  
164 department, covered by any other form of liability insurance  
165 policy or bond of a surety company authorized to do business in  
166 this state; (4) to any person qualifying as a self-insurer under  
167 Section 63-15-53, or to any person operating a motor vehicle for  
168 such self-insurer; (5) to the operator or the owner of a motor  
169 vehicle legally parked at the time of the accident; (6) to the  
170 owner of a motor vehicle if at the time of the accident the  
171 vehicle was stolen; or (7) to any person for whom the department  
172 has found in the hearing provided for in subsection (3) of this  
173 section, that there is not a reasonable probability of a judgment  
174 being rendered against such person in a lawsuit arising out of the  
175 accident.

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

196 a limit of not less than Twenty-five Thousand Dollars (\$25,000.00)  
197 because of injury to or destruction of property of others in any  
198 one (1) accident.

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

201 63-15-31. Judgments referred to in this chapter shall, for  
202 the purpose of this chapter only, be deemed satisfied:

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

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

213 (c) When Twenty-five Thousand Dollars (\$25,000.00) has  
214 been credited upon any judgment or judgments rendered in excess of  
215 that amount because of injury to or destruction of property of  
216 others as a result of any one (1) accident.

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

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

223 63-15-43. (1) A "motor vehicle liability policy" as said  
224 term is used in this chapter shall mean an owner's or an  
225 operator's policy of liability insurance, certified as provided in  
226 Section 63-15-39 or Section 63-15-41, as proof of financial  
227 responsibility, and issued, except as otherwise provided in  
228 Section 63-15-41, by an insurance company duly authorized to write

229 motor vehicle liability insurance in this state, to or for the  
230 benefit of the person named therein as insured.

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

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

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

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

258 (4) Such motor vehicle liability policy shall state the name  
259 and address of the named insured, the coverage afforded by the  
260 policy, the premium charged therefor, the policy period and the  
261 limits of liability, and shall contain an agreement or be endorsed

262 that insurance is provided thereunder in accordance with the  
263 coverage defined in this chapter as respects bodily injury and  
264 death or property damage, or both, and is subject to all the  
265 provisions of this chapter.

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

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

270 (b) Any liability on account of bodily injury to or  
271 death of any employee of the insured while engaged in the  
272 employment, other than domestic, of the insured, or in domestic  
273 employment if benefits therefor are either payable or required to  
274 be provided under any workers' compensation law; or

275 (c) Any liability because of injury to or destruction  
276 of property owned by, rented to, in charge of or transported by  
277 the insured.

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

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

288 (b) The satisfaction by the insured of a judgment for  
289 such injury or damage shall not be a condition precedent to the  
290 right or duty of the insurance company to make payment on account  
291 of such injury or damage;

292 (c) The insurance company shall have the right to  
293 settle any claim covered by the policy, and if such settlement is  
294 made in good faith, the amount thereof shall be deductible from

295 the limits of liability specified in subdivision (b) of subsection  
296 (2) of this section; or

297 (d) The policy, the written application therefor, if  
298 any, and any rider or endorsement which does not conflict with the  
299 provisions of the chapter shall constitute the entire contract  
300 between the parties.

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

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

314 (9) Any motor vehicle liability policy may provide for the  
315 prorating of the insurance thereunder with other valid and  
316 collectible insurance.

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

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

323 SECTION 5. Section 63-15-4, Mississippi Code of 1972, is  
324 amended as follows:

325 63-15-4. (1) The following vehicles are exempted from the  
326 requirements of this section:

327 (a) Vehicles exempted by Section 63-15-5;

328           (b) Vehicles for which a bond or a certificate of  
329 deposit of money or securities in at least the minimum amounts  
330 required for proof of financial responsibility is on file with the  
331 department;

332           (c) Vehicles that are self-insured under Section  
333 63-15-53; and

334           (d) Implements of husbandry.

335           (2) (a) Every motor vehicle operated in this state shall  
336 have an insurance card maintained in the vehicle as proof of  
337 liability insurance that is in compliance with the liability  
338 limits required by Section 63-15-3(j). The insured parties shall  
339 be responsible for maintaining the insurance card in each vehicle.

340           (b) An insurance company issuing a policy of motor  
341 vehicle liability insurance as required by this section shall  
342 furnish to the insured an insurance card for each vehicle at the  
343 time the insurance policy becomes effective.

344           \* \* \*

345           (3) Failure of the owner or the operator of a motor vehicle  
346 to have the insurance card in the motor vehicle is a misdemeanor  
347 and, upon conviction, is punishable by a fine of One Thousand  
348 Dollars (\$1,000.00) and suspension of driving privilege for a  
349 period of one (1) year or until the owner of the motor vehicle  
350 shows proof of liability insurance that is in compliance with the  
351 liability limits required by Section 63-15-3(j). Fraudulent use  
352 of an insurance card shall be punishable in accordance with  
353 Section 97-7-10. The funds from such fines shall be deposited in  
354 the State General Fund in the State Treasury.

355           (4) If, at the hearing date or the date of payment of the  
356 fine, the motor vehicle owner shows proof of motor vehicle  
357 liability insurance in the amounts required by Section 63-15-3(j),  
358 the fine shall be reduced to One Hundred Dollars (\$100.00). If  
359 the owner shows proof that such insurance was in effect at the

360 time of citation, the fine of One Hundred Dollars (\$100.00) and  
361 court costs shall be waived.

362 SECTION 6. This act shall take effect and be in force from  
363 and after July 1, 2001.