

By: Senator(s) Turner

To: Insurance

SENATE BILL NO. 2328  
(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 \$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, implements of husbandry and  
37 electric personal assistive mobility device as defined in Section  
38 63-3-103) which is designed for use upon a highway, including  
39 trailers and semitrailers designed for use with such vehicles, and  
40 every vehicle which is propelled by electric power obtained from  
41 overhead wires but not operated upon rails.

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

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

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

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

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

58 (h) "Owner" means a person who holds the legal title of  
59 a motor vehicle; in the event a motor vehicle is the subject of an  
60 agreement for the conditional sale or lease thereof with the right  
61 of purchase upon performance of the conditions stated in the  
62 agreement and with an immediate right of possession vested in the  
63 conditional vendee or lessee or in the event a mortgagor of a

64 vehicle is entitled to possession, then such conditional vendee or  
65 lessee or mortgagor shall be deemed the owner for the purpose of  
66 this chapter.

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

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

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

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

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

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

94 63-15-11. (1) If twenty (20) days after the receipt of a  
95 report of a motor vehicle accident in this state which has  
96 resulted in bodily injury or death, or damage to the property of

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

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

127 (3) Any person so notified of suspension may, within ten  
128 (10) days after receipt of such notification, make a written  
129 request to the department for a hearing, and such request shall

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

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

152 (4) Subsections (1) and (2) of this section shall not apply:  
153 (a) to such operator or owner if such owner had in effect at the  
154 time of such accident a liability policy with respect to the motor  
155 vehicle involved in such accident; (b) to such operator, if not  
156 the owner of such motor vehicle, if there was in effect at the  
157 time of such accident a liability policy with respect to his  
158 operation of motor vehicles not owned by him; (c) to such operator  
159 or owner if the liability of such operator or owner for damages  
160 resulting from such accident is, in the judgment of the  
161 department, covered by any other form of liability insurance  
162 policy or bond of a surety company authorized to do business in

163 this state; (d) to any person qualifying as a self-insurer under  
164 Section 63-15-53, or to any person operating a motor vehicle for  
165 such self-insurer; (e) to the operator or the owner of a motor  
166 vehicle legally parked at the time of the accident; (f) to the  
167 owner of a motor vehicle if at the time of the accident the  
168 vehicle was stolen; or (g) to any person for whom the department  
169 has found in the hearing provided for in subsection (3) of this  
170 section, that there is not a reasonable probability of a judgment  
171 being rendered against such person in a lawsuit arising out of the  
172 accident.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



261 death or property damage, or both, and is subject to all the  
262 provisions of this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

320 **SECTION 5.** This act shall take effect and be in force from  
321 and after July 1, 2005, and shall apply to policies issued or  
322 renewed on or after that date.