

1 IN THE HOUSE BY THE RULES COMMITTEE
2 BY THE REQUEST OF THE LEGISLATIVE COUNCIL

3 HOUSE BILL NO. 117

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 FIRST LEGISLATURE - FIRST SESSION

6 A BILL

7 For an Act entitled: "An Act to eliminate the irresponsible driver
8 from the highways of the State; and to pro-
9 vide for the giving of security and proof of
10 financial responsibility by owners and
11 operators of motor vehicles; and providing
12 for an effective date."

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

14 Section 1. SHORT TITLE. This Act shall be known and may be
15 cited as the "Motor Vehicle Safety Responsibility Act".

16 Sec. 2. DECLARATION OF PURPOSE. The legislature is concerned
17 over the rising toll of motor vehicle accidents and the suffering
18 and loss thereby inflicted. The legislature determines that it is
19 a matter of grave concern that motorists shall be financially
20 responsible for their negligent acts, so that innocent victims of
21 motor vehicle accidents may be recompensed for the injury and
22 financial loss inflicted upon them. The legislature finds and
23 declares that the public interest can best be served by the re-
24 quirements herein that the operator of a motor vehicle involved in
25 an accident shall respond for such damages and show proof of
26 financial ability to respond for damages in future accidents as a
27 requisite to his exercise of the privilege of operating a motor
28 vehicle within the State of Alaska.

29 Sec. 3. DEFINITIONS. The following words and phrases when
used in this Act shall, for the purpose of this Act, have the

1 meanings respectively ascribed to them in this section, except
2 when the context otherwise requires.

3 (1) "Department"-- the Department of Public Safety of
4 Alaska.

5 (2) "Driver" -- every person who drives or is in
6 actual physical control of a vehicle.

7 (3) "Judgment" -- any judgment which shall have become
8 final by expiration without appeal of the time within which an
9 appeal might have been perfected, or by final affirmation on
10 appeal, rendered by a court of competent jurisdiction of any state
11 or of the United States, upon a cause of action arising out of the
12 ownership, maintenance, or use of any vehicle of a type subject to
13 registration under the laws of this state, for damages, including
14 damages for care and loss of services, because of bodily injury to
15 or death of any person, or for damages because of injury to or
16 destruction of property, including the loss of use thereof, or
17 upon a cause of action on an agreement of settlement for such
18 damages.

19 (4) "License to operate a motor vehicle" -- any operator's
20 or chauffeur's license or any other license or permit to operate a
21 motor vehicle issued under the laws of this state including:

22 (a) Any temporary license or instruction permit.

23 (b) The privilege of any person to drive a motor
24 vehicle whether or not such person holds a valid license.

25 (c) Any non-resident's operating privilege as
26 defined herein.

27 (5) "Motor vehicle" -- every vehicle which is self-pro
28 pelled and every vehicle which is propelled by electric power
29 obtained from overhead trolley wires, but not operated upon rails.

1 (6) "Non-resident" -- every person who is not a resident
2 of this state.

3 (7) "Non-resident's operating privilege" -- the pri-
4 vilege conferred upon a non-resident by the laws of this state
5 pertaining to the operation by such person of a motor vehicle, or
6 the use of a vehicle owned by such person, in this state.

7 (8) "Operator" -- every person, other than a chauffeur,
8 who drives or is in actual physical control of a motor vehicle
9 upon a highway or who is exercising control over or steering a
10 vehicle being towed by a motor vehicle.

11 (9) "Owner" -- a person, other than a lien-holder,
12 having the property in or title to a vehicle. The term includes
13 a person entitled to the use and possession of a vehicle subject
14 to a security interest in another person, but excludes a lessee
15 under a lease not intended as security.

16 (10) "Park or Parking" -- means the standing of a vehicle,
17 whether occupied or not, otherwise than temporarily for the purpose
18 of and while actually engaged in loading or unloading merchandise
19 or passengers.

20 (11) "Person" -- every natural person, firm, copartner-
21 ship, association or corporation.

22 (12) "Registration" -- the registration certificate or
23 certificates and registration plates issued under the laws of this
24 state pertaining to the registration of vehicles.

25 (13) "Revocation of driver's license" -- the termination
26 by formal action of the department of a person's driver's license
27 or privilege to operate a motor vehicle on the public highways,
28 which termination shall not be subject to renewal or restoration
29 except that an application for a new license may be presented and

1 acted upon by the department after the expiration of at least one
2 year after the date of revocation.

3 (14) "State" -- a state, territory or possession of
4 the United States, the District of Columbia, the Commonwealth
5 of Puerto Rico or a province of the Dominion of Canada.

6 (15) "Superintendent" -- the Superintendent of the
7 State Police of Alaska.

8 (16) "Suspension of driver's license" -- the temporary
9 withdrawal by formal action of the department of a person's driver's
10 license or privilege to operate a motor vehicle on the public
11 highways which temporary withdrawal shall be for a period
12 specifically designated by the department.

13 (17) "Vehicle" -- every device in, upon or by which any
14 person or property is or may be transported or drawn upon a high-
15 way, excepting devices moved by human power or used exclusively
16 upon stationary rails or tracks.

17 Sec. 4. SUPERINTENDENT TO ADMINISTER ACT.

18 (1) The Superintendent shall administer and enforce
19 the provisions of this Act and may make rules and regulations
20 necessary for its administration.

21 (2) The Superintendent shall receive and consider any
22 pertinent information upon request of persons aggrieved by his
23 orders or acts under any of the provisions of this Act.

24 (3) The Superintendent shall prescribe and provide
25 suitable forms requisite or deemed necessary for the purposes of
26 this Act.

27 Sec. 5. COURT REVIEW. Any order or act of the superintendent
28 under the provisions of this Act shall be subject to review by
29 appeal to the superior courts of this state at the instance of

1 any party in interest. The court shall determine whether the
2 filing of the appeal shall operate as a stay of any such order
3 or act of the superintendent and the court shall summarily hear
4 the matter. The court may, in disposing of the issue before it,
5 modify, affirm or reverse the order or act of the superintendent
6 in whole or in part.

7 Sec. 6. DEPARTMENT TO FURNISH OPERATING RECORD. The de-
8 partment shall upon request furnish any person a certified ab-
9 stract of the operating record of any person subject to the pro-
10 visions of this Act, which abstract shall include enumeration of
11 any motor vehicle accidents in which such person has been in-
12 volved and reference to any convictions of said person for violation
13 of the motor vehicle laws as reported to the department, and a
14 record of any vehicles registered in the name of such persons.
15 The department shall collect for each abstract the sum of \$1.00.

16 Sec. 7. APPLICATION OF ACT. The provisions of this Act,
17 requiring deposit of security and suspensions for failure to
18 deposit security, subject to certain exemptions, shall apply to
19 the driver and owner of any vehicle of a type subject to regis-
20 tration under the motor vehicle laws of this state which is in any
21 manner involved in an accident within this state, which accident
22 has resulted in bodily injury to or death of any person or damage
23 to the property of any one person in excess of \$200.00.

24 (1) The department, not less than 20 days after receipt
25 of a report of an accident as described in the preceding section,
26 shall determine the amount of security which shall be sufficient
27 in its judgment to satisfy any judgment or judgments for damages
28 resulting from such accident as may be recovered against each
29 driver or owner. Such determination shall not be made with respect

1 to drivers or owners who are exempt under succeeding sections of
2 this Act from the requirements as to security and suspension.

3 (2) The department shall determine the amount of
4 security deposit required of any person upon the basis of the
5 reports or other information submitted. In the event a person
6 involved in an accident as described in this Act fails to make a
7 report or submit information indicating the extent of his injuries
8 or the damage to his property within thirty days after the accident
9 and the department does not have sufficient information on which
10 to base an evaluation of such injuries or damage, then the
11 department after reasonable notice to such person, if it is
12 possible to give such notice, otherwise without such notice, shall
13 not require any deposit of security for the benefit or protection
14 of such person.

15 (3) The department within thirty days after receipt of
16 report of any accident referred to herein and upon determining
17 the amount of security to be required of any person involved in
18 such accident or to be required of the owner of any vehicle
19 involved in such accident shall give written notice to every such
20 person of the amount of security required to be deposited by him
21 and that an order of suspension will be made as hereinafter pro-
22 vided upon the expiration of 10 days after the sending of such
23 notice unless within said time security be deposited as required
24 by said notice.

25 Sec. 8. EXCEPTIONS TO REQUIREMENT OF SECURITY. The re-
26 quirements as to security and suspension in this Act shall not
27 apply:

28 (1) To the driver or owner if the owner had in effect
29 at the time of the accident an automobile liability policy or

1 bond with respect to the vehicle involved in the accident, except
2 that a driver shall not be exempt under this paragraph if at the
3 time of the accident the vehicle was being operated without the
4 owner's permission, express or implied;

5 (2) To the driver, if not the owner of the vehicle
6 involved in the accident, if there was in effect at the time of
7 the accident an automobile liability policy or bond with respect
8 to his driving of vehicles not owned by him;

9 (3) To a driver or owner whose liability for damages
10 resulting from the accident is, in the judgment of the depart-
11 ment, covered by any other form of liability insurance policy or
12 bond;

13 (4) To any person qualifying as a self-insurer under
14 Sec. 42 or to any person operating a vehicle for such self-insurer;

15 (5) To the driver or owner of a vehicle involved in
16 an accident wherein no injury or damage was caused to the person
17 or property of anyone other than such driver or owner;

18 (6) To the driver or owner of a vehicle which at the
19 time of the accident was parked, unless such vehicle was parked
20 at a place where parking was at the time of the accident pro-
21 hibited under any applicable law or ordinance;

22 (7) To the owner of a vehicle if at the time of the
23 accident the vehicle was being operated without his permission,
24 express or implied, or was parked by a person who had been opera-
25 ating such vehicle without such permission;

26 (8) To the owner of a vehicle involved in an
27 accident if at the time of the accident such vehicle was owned
28 or leased to the United States, this state or any political
29 subdivision of this state or a municipality thereof, or to the

1 driver of such vehicle if operating such vehicle with permission;
2 or

3 (9) To the driver or the owner of a vehicle in the
4 event at the time of the accident the vehicle was being opera-
5 ted by or under the direction of a police officer who, in the
6 performance of his duties, shall have assumed custody of such
7 vehicle.

8 Sec. 9. REQUIREMENTS AS TO POLICY OR BOND.

9 (1) No policy or bond shall be effective under
10 Sec. 8. unless issued by an insurance company or surety company
11 authorized to do business in this state, except as provided in
12 subdivision (2) of this section, nor unless such policy or
13 bond is subject, if the accident has resulted in bodily injury
14 or death, to a limit, exclusive of interest and costs, of not
15 less than \$10,000.00 because of bodily injury to or death of
16 one person in any one accident and, subject to said limit for
17 one person, to a limit of not less than \$20,000.00 because of
18 bodily injury to or death of two or more persons in any one
19 accident, and if the accident has resulted in injury to, or
20 destruction of, property to a limit of not less than \$5,000.00
21 because of injury to or destruction of property of others in
22 any one accident.

23 (2) No policy or bond shall be effective under Sec. 8.
24 with respect to any vehicle which was not registered in this
25 state or was a vehicle which was registered elsewhere than in
26 this state at the effective date of the policy or bond or the
27 most recent renewal thereof, unless the insurance company or
28 surety company issuing such policy or bond is authorized to do
29 business in this state, or if said company is not authorized to do

1 business in this state, unless it shall execute a power of attorney
2 authorizing the commissioner to accept service on its behalf of
3 notice or process in any action upon such policy or bond arising
4 out of such accident.

5 (3) The department may rely upon the accuracy of the
6 information in a required report of an accident as to the existence
7 of insurance or a bond unless and until the department has reason
8 to believe that the information is erroneous.

9 Sec. 10. FORM AND AMOUNT OF SECURITY.

10 (1) The security required under this Act shall be in
11 such form and such amount as the department may require, but in
12 no case in excess of the limits specified in Sec. 9 in reference
13 to the acceptable limits of a policy or bond.

14 (2) Every depositor of security shall designate in
15 writing every person in whose name such deposit is made and may
16 at any time change such designation, but any single deposit of
17 security shall be applicable only on behalf of persons required to
18 furnish security because of the same accident.

19 Sec. 11. FAILURE TO DEPOSIT SECURITY - SUSPENSIONS. In the
20 event that any person required to deposit security under this Act
21 fails to deposit such security within 10 days after the depart-
22 ment has sent the notice as hereinbefore provided, the depart-
23 ment shall thereupon suspend:

24 (1) The license of each driver in any manner involved
25 in the accident;

26 (2) If the driver is a non-resident, the privilege of
27 operating within this state a vehicle of a type subject to regis-
28 tration under the laws of this state;

29 (3) If such owner is a non-resident, the privilege of

1 such owner to operate or permit the operation within this state
2 of a vehicle of a type subject to registration under the laws of
3 this state.

4 Such suspensions shall be made in respect to persons required
5 by the department to deposit security who fail to deposit such
6 security, except as otherwise provided under succeeding sections
7 of this Act.

8 Sec. 12. RELEASE FROM LIABILITY.

9 (1) A person shall be relieved from the requirement
10 for deposit of security for the benefit or protection of another
11 person injured or damaged in the accident in the event he is re-
12 leased from liability by such other person.

13 (2) A covenant not to sue shall relieve the parties
14 thereto as to each other from the security requirements of this
15 Act.

16 (3) In the event the department has evaluated the
17 injuries or damage to any minor in an amount not more than \$200
18 the department may accept, for the purposes of this Act only,
19 evidence of a release from liability executed by a natural guar-
20 dian or a legal guardian on behalf of such minor without the appro-
21 val of any court or judge.

22 Sec. 13. ADJUDICATION OF NONLIABILITY. A person shall be
23 relieved from the requirement for deposit of security in respect
24 to a claim for injury or damage arising out of the accident in
25 the event such person has been finally adjudicated not to be
26 liable in respect to such claim.

27 Sec. 14. AGREEMENTS FOR PAYMENT OF DAMAGES.

28 (1) Any two or more of the persons involved in or
29 affected by an accident as described in Sec. 7 may at any time

1 enter into a written agreement for the payment of an agreed
2 amount with respect to all claims of any of such persons because
3 of bodily injury to or death or property damage arising from such
4 accident, which agreement may provide for payment in installments,
5 and may file a signed copy thereof with the department.

6 (2) The department, to the extent provided by any such
7 written agreement filed with it, shall not require the deposit
8 of security and shall terminate any prior order of suspension, or,
9 if security has previously been deposited, the department shall
10 immediately return such security to the depositor or his personal
11 representative.

12 (3) In the event of a default in any payment under such
13 agreement and upon notice of such default the department shall
14 take action suspending the license of such person in default as
15 would be appropriate in the event of failure of such person to
16 deposit security when required under this Act.

17 (4) Such suspension shall remain in effect and such
18 license shall not be restored unless and until:

19 (a) Security is deposited as required under this
20 Act in such amount as the department may then determine, or

21 (b) When, following any such default and suspension,
22 the person in default has paid the balance of the agreed
23 amount, or

24 (c) One year has elapsed following the effective
25 date of such suspension and evidence satisfactory to the
26 department has been filed with it that during such period
27 no action at law upon such agreement has been instituted
28 and is pending.

29 Sec. 15. PAYMENT UPON JUDGMENT. The payment of a judgment

1 arising out of an accident or the payment upon such judgment of
2 an amount equal to the maximum amount which could be required for
3 deposit under this Act shall, for the purposes of this Act, release
4 the judgment debtor from the liability evidenced by such judgment.

5 Sec. 16. TERMINATION OF SECURITY REQUIREMENT. The depart-
6 ment, if satisfied as to the existence of any fact which under
7 Secs. 12, 13, 14 or 15 would entitle a person to be relieved from
8 the security requirements of this Act, shall not require the de-
9 posit of security by the person so relieved from such requirement
10 and shall terminate any prior order of suspension in respect to
11 such person, the department shall immediately return such deposit
12 to such person or to his personal representative.

13 Sec. 17. DURATION OF SUSPENSION. Unless a suspension is
14 terminated under other provisions of this Act, an order of sus-
15 pension by the department under this Act shall remain in effect
16 and no license shall be renewed for or issued to any person whose
17 license is so suspended until

18 (1) Such person shall deposit or there shall be de-
19 posited on his behalf the security required under this Act, or

20 (2) One year shall have elapsed following the date of
21 such suspension and evidence satisfactory to the department has
22 been filed with it that during such period no action for damages
23 arising out of the accident resulting in such suspension has been
24 instituted.

25 An affidavit of the applicant that no action at law for dam-
26 ages arising out of the accident has been filed against him or, if
27 filed, that it is not still pending shall be prima facie evidence
28 of that fact. The department may take whatever steps are necessary
29 to verify the statement set forth in any said affidavit.

1 Sec. 18. APPLICATION TO NON-RESIDENTS, UNLICENSED DRIVERS,
2 UNREGISTERED VEHICLES AND ACCIDENTS IN OTHER STATES.

3 (1) In case the driver or the owner of a vehicle of a
4 type subject to registration under the laws of this state involved
5 in an accident within this state has no license or registration in
6 this state, then such driver shall not be allowed a license, nor
7 shall such owner be allowed to register any vehicle in this state,
8 until he has complied with the requirements of this Act to the
9 extent that would be necessary if, at the time of the accident, he
10 had held a license or been the owner of a vehicle registered in
11 this state.

12 (2) When a non-resident's operating privilege is sus-
13 pended pursuant to Sec. 11, the department shall transmit a cer-
14 tified copy of the record of such action to the official in charge
15 of the issuance of licenses and registration certificates in
16 the state in which such non-resident resides, if the law of such
17 other state provides for action in relation thereto similar to
18 that provided for in subsection (3) of this section.

19 (3) Upon receipt of such certification that the opera-
20 ting privilege of a resident of this state has been suspended or
21 revoked in any such other state pursuant to a law providing for
22 its suspension or revocation for failure to deposit security
23 for the payment of judgments arising out of a motor-vehicle
24 accident, under circumstances which would require the department
25 to suspend a non-resident's operating privilege had the accident
26 occurred in this state, the department shall suspend the license
27 of such resident. Such suspension shall continue until such
28 resident furnishes evidence of his compliance with the law of
29 such other state relating to the deposit of such security.

1 Sec. 19. AUTHORITY OF DEPARTMENT TO DECREASE AMOUNT OF
2 SECURITY. The department may reduce the amount of security order-
3 ed in any case within six months after the date of the accident if
4 in its judgment the amount ordered is excessive. In case the
5 security originally ordered has been deposited, the excess de-
6 posit over the reduced amount ordered shall be returned to the
7 depositor or his personal representative forthwith.

8 Sec. 20. CORRECTION OF ACTION OF DEPARTMENT. Whenever the
9 department has taken any action or has failed to take any action
10 under this Act by reason of having received erroneous information
11 or by reason of having received no information, then upon receiving
12 correct information within one year after the date of an accident
13 the department shall take appropriate action to carry out the
14 purposes and effect of this Act. The foregoing shall not, however,
15 be deemed to require the department to reevaluate the amount of
16 any deposit required under this Act.

17 Sec. 21. CUSTODY OF SECURITY. The department shall place
18 any security deposited with it under this Act in the custody of
19 the Treasurer.

20 Sec. 22. DISPOSITION OF SECURITY.

21 (1) Such security shall be applicable and available
22 only

23 (a) For the payment of any settlement agreement
24 covering any claim arising out of the accident upon instruc-
25 tion of the person who made the deposit, or

26 (b) For the payment of a judgment or judgments,
27 rendered against the person required to make the deposit,
28 for damages arising out of the accident in an action at law
29 begun not later than one (1) year after the deposit of such

1 security, or within one (1) year after the date of deposit
2 of any security following failure to make payments under an
3 agreement to pay.

4 (g) Every distribution of funds from the security
5 deposits shall be subject to the limits of the department's
6 evaluation on behalf of a claimant.

7 Sec. 23. RETURN OF DEPOSIT. Upon the expiration of one (1)
8 year from the date of any deposit of security any security re-
9 maining on deposit shall be returned to the person who made such
10 deposit or to his personal representative if an affidavit or other
11 evidence satisfactory to the department has been filed with it:

12 (1) That no action for damages arising out of the
13 accident for which deposit was made is pending against any person
14 on whose behalf the deposit was made, and

15 (2) That there does not exist any unpaid judgment ren-
16 dered against any such person in such an action.

17 The foregoing provisions of this section shall not be con-
18 strued to limit the return of any deposit of security under any
19 other provision of this Act authorizing such return.

20 Sec. 24. MATTERS NOT TO BE EVIDENCE IN CIVIL SUITS. The
21 report required following an accident, the action taken by the
22 department pursuant to this Act, the findings, if any, of the
23 department upon which such action is based, and the security filed
24 as provided in this Act, shall not be referred to in any way,
25 and shall not be any evidence of the negligence or due care of
26 either party, at the trial of any action at law to recover damages.

27 Sec. 25. PROOF OF FINANCIAL RESPONSIBILITY FOR THE FUTURE.
28 The provisions of this Act requiring the deposit of proof of
29 financial responsibility for the future, subject to certain ex-

1 ceptions, shall apply with respect to persons who are convicted of
2 or forfeit bail for certain offenses under motor vehicle laws or
3 who, by ownership or operation of a vehicle of a type subject to
4 registration under the motor vehicle laws of this state, are in-
5 volved in an accident within this state, which accident results in
6 bodily injury or death of any person or damage to the property of
7 any one person in excess of two hundred (\$200.00) dollars.

8 The term "proof of financial responsibility for the future"
9 as used in this Act shall mean: Proof of ability to respond in
10 damages for liability, on account of accidents occurring subseq-
11 uent to the effective date of said proof, arising out of the own-
12 ership, maintenance or use of a vehicle of a type subject to reg-
13 istration under the laws of this state, in the amount of ten thou-
14 sand (\$10,000.00) dollars because of bodily injury to or death of
15 one person in any one accident, and, subject to said limit for one
16 person, in the amount of twenty thousand (\$20,000.00) dollars be-
17 cause of bodily injury to or death of two or more persons in any
18 one accident, and in the amount of five thousand (\$5,000.00)
19 dollars because of injury to or destruction of property of others
20 in any one accident. Wherever used in this Act the terms "proof
21 of financial responsibility" or "Proof" shall be synonymous with
22 the term "proof of financial responsibility for the future".

23 Sec. 26. PROOF REQUIRED UPON CERTAIN CONVICTIONS. Whenever
24 under any law of this state, the license of any person is sus-
25 pended or revoked by reason of a conviction or a forfeiture of
26 bail, the department shall not issue to such person any new or
27 renewal of license in the name of such person until permitted to
28 do so under the motor vehicle laws of this state, and need not do
29 so then unless and until such person shall give and thereafter

1 maintain proof of financial responsibility for the future.

2 Sec. 27. ACTION IN RESPECT TO UNLICENSED PERSON. If a per-
3 son has no license, but by final order or judgment is convicted
4 of or forfeits any bail or collateral deposited to secure an
5 appearance for trial for any offense requiring the suspension or
6 revocation of license, or for driving a motor vehicle upon the
7 highways without being licensed to do so, or for driving an un-
8 registered vehicle upon the highways, no license shall be there-
9 after issued to such person unless he shall give and thereafter
10 maintain proof of financial responsibility for the future.

11 Whenever the department suspends or revokes a non-resident
12 operating privilege by reason of a conviction or forfeiture of
13 bail, such privilege shall remain so suspended or revoked unless
14 such person shall have previously given or shall immediately give
15 and thereafter maintain proof of financial responsibility for the
16 future.

17 Sec. 28. WHEN PROOF REQUIRED AFTER ACCIDENTS. Upon receipt
18 by the superintendent of the report of any accident which has re-
19 sulted in bodily injury or death, or property damage to the ex-
20 tent of two hundred (\$200.00) dollars or more, the superintendent
21 shall suspend the license of the operator of any motor vehicle
22 involved in said accident unless such operator or owner:

23 (1) Shall have previously furnished or immediately
24 furnishes sufficient security as required by this Act, or is ex-
25 cepted from furnishing security under Sec. 8 of this Act, and:

26 (2) Thereafter maintains proof of financial respon-
27 sibility for three years next following the accident.

28 The provisions of this section shall not apply to any owner
29 or operator with respect to any accident in which a judgment in

1 his favor has been rendered on a cause of action arising out of
2 such accident, which judgment establishes his freedom from
3 fault.

4 Sec. 29. SUSPENSION FOR NONPAYMENT OF JUDGMENTS. The de-
5 partment upon receipt of a certified copy of a judgment and a
6 certificate of facts relative to such judgment, on a form pro-
7 vided by the department, shall forthwith suspend the license and
8 any non-resident's operating privilege of any person against
9 whom such judgment was rendered, except as hereinafter otherwise
10 provided in this Act.

11 Sec. 30. WHEN COURTS TO REPORT NONPAYMENT OF JUDGMENTS.
12 Whenever any person fails within thirty (30) days to satisfy any
13 judgment, it shall be the duty of the clerk of the court, or
14 of the judge of a court which has no clerk, in which any such
15 judgment is rendered within this state to forward to the superin-
16 tendent a certified copy of such judgment and a certificate of
17 facts relative to such judgment.

18 Sec. 31. FURTHER ACTION WITH RESPECT TO NON-RESIDENTS. If
19 the defendant named in any certified copy of a judgment reported
20 to the department is a non-resident, the department shall trans-
21 mit a certified copy of the judgment to the official in charge of
22 the issuance of licenses and registrations of the state of which
23 the defendant is a resident.

24 Sec. 32. EXCEPTION IN RELATION TO GOVERNMENT VEHICLES. The
25 provisions of Secs. 28 and 29 shall not apply with respect to
26 any accident caused by the ownership or operation, with permission,
27 of a vehicle owned or leased to the United States, this state or
28 any political subdivision of this state or a municipality thereof.

29 Sec. 33. EXCEPTION WHEN CONSENT GRANTED BY JUDGMENT CREDITOR.

1 If the judgment creditor consents in writing, in such form as the
2 department may prescribe, that the judgment debtor be allowed
3 license or non-resident's operating privilege, the same may be
4 allowed by the department, in its discretion, for six (6) months
5 from the date of such consent and thereafter until such consent is
6 revoked in writing, notwithstanding default in the payment of such
7 judgment, or of any installments thereof prescribed in Sec. 29,
8 provided the judgment debtor furnishes proof of financial responsi-
9 bility.

10 Sec. 34. EXCEPTION WHEN INSURER LIABLE. No license or non-
11 resident's operating privilege of any person shall be suspended
12 under the provisions of this Act if the department shall find that
13 an insurer was obligated to pay the judgment upon which suspension
14 is based, at least to the extent and for the amounts required in
15 this Act, but has not paid such judgment for any reason. A find-
16 ing by the department that an insurer is obligated to pay a judg-
17 ment shall not be binding upon such insurer and shall have no
18 legal effect whatever except for the purpose of administering this
19 section. Whenever in any judicial proceedings it shall be deter-
20 mined by any final judgment, decree or order that an insurer is
21 not obligated to pay any such judgment, the department, notwith-
22 standing any contrary finding theretofore made by it, shall forth-
23 with suspend the license and any non-resident's operating privilege
24 of any person against whom such judgment was rendered, as provided
25 in Sec. 29.

26 Sec. 35. SUSPENSION TO CONTINUE UNTIL JUDGMENTS PAID AND
27 PROOF GIVEN: DURATION OF PROOF.

28 (1) Where a person has an unsatisfied judgment against
29 him requiring suspension under Sec. 29, his license, and non-

1 resident's operating privilege shall remain suspended and shall not
2 be renewed, nor shall any such license or registration be there-
3 after issued in the name of such person, including any such per-
4 son not previously licensed, unless and until every such judgment
5 is stayed, satisfied in full or to the extent hereinafter pro-
6 vided and until the said person gives proof of financial res-
7 ponsibility subject to the exceptions stated in Secs. 33, 34, and
8 39.

9 (2) The proof required above must be maintained so long
10 as such person has a license or non-resident's operating privilege.

11 Sec. 36. DRIVING WHILE LICENSE CANCELLED, SUSPENDED OR
12 REVOKED. The department upon receiving a record of the convic-
13 tion of any person upon a charge of driving a vehicle while the
14 license of such person was suspended shall forthwith suspend
15 the registration of any vehicle registered in the name of such
16 person until such person shall give and thereafter maintain
17 proof of financial responsibility for the future for each such
18 vehicle.

19 Sec. 37. DISCHARGE IN BANKRUPTCY. A discharge in bank-
20 ruptcy following the rendering of any such judgment shall not
21 relieve the judgment debtor from any of the requirements of this
22 Act.

23 Sec. 38. PAYMENTS SUFFICIENT TO SATISFY REQUIREMENTS.

24 (1) Judgments herein referred to shall, for the purpose
25 of this Act only, be deemed satisfied:

26 (a) When ten thousand (\$10,000.00) dollars has
27 been credited upon any judgment or judgments rendered in
28 excess of that amount because of bodily injury to or death
29 of one person as the result of any one accident; or

1 (b) When, subject to such limit of ten thousand
2 (\$10,000.00) because of bodily injury to or death of one
3 person, the sum of twenty thousand (\$20,000.00) has been
4 credited upon any judgment or judgments rendered in excess
5 of that amount because of bodily injury to or death of two
6 or more persons as the result of any one accident; or

7 (c) When five thousand (\$5,000.00) dollars has
8 been credited upon any judgment or judgments rendered in
9 excess of that amount because of injury to or destruction of
10 property of others as a result of any one accident;

11 (2) Provided, however, payments made in settlements
12 of any claims because of bodily injury, death or property damage
13 arising from such accident shall be credited in reduction of the
14 amounts provided for in this section.

15 Sec. 39. INSTALLMENT PAYMENT OF JUDGMENTS: DEFAULT.

16 (1) A judgment debtor upon due notice to the judgment
17 creditor may apply to the court in which such judgment was ren-
18 dered for the privilege of paying such judgment in installments
19 and the court, in its discretion and without prejudice to any
20 other legal remedies which the judgment creditor may have, may so
21 order and fix the amounts and times of payment of the installments.

22 (2) The department shall not suspend a license or non-
23 resident's operating privilege, and shall restore any license or
24 non-resident's operating privilege suspended following non-payment
25 of a judgment, when the judgment debtor gives proof of financial
26 responsibility and obtains such an order permitting the payment
27 of such judgment in installments, and while the payment of any said
28 installments is not in default.

29 (3) In the event the judgment debtor fails to pay any

1 installment as specified by such order, then upon notice of such
2 default, the department shall forthwith suspend the license or
3 non-resident's operating privilege of the judgment debtor until
4 such judgment is satisfied, as provided in this Act.

5 Sec. 40. REGISTRATION AND OPERATOR'S RIGHTS LIMITED BY EXTENT
6 OF PROOF.

7 (1) Owner's coverage-- When a certificate is filed
8 showing that a policy or policies have been issued covering a
9 motor vehicle or vehicles owned by the insured, but not insuring
10 such person when operating any motor vehicle not owned by him.
11 Such restriction may be removed upon the filing of a certificate
12 showing an operator's policy issued to such person.

13 (2) The department, upon receiving satisfactory evi-
14 dence of the violation of the restriction on such license may sus-
15 pend said license until a certificate is filed showing an opera-
16 tors' policy issued to the holder of the license.

17 Sec. 41. ALTERNATE METHODS OF GIVING PROOF. Proof of finan-
18 cial responsibility when required under this Act with respect to
19 a person who is not the owner of such a vehicle, may be given by
20 filing:

21 (1) A certificate of insurance as provided in Sec. 43
22 or Sec. 44;

23 (2) A bond as provided in Sec. 49;

24 (3) A certificate of deposit of money or securities as
25 provided in Sec. 51; or

26 (4) A certificate of self-insurance, as provided in
27 Sec. 42, supplemented by an agreement by the self-insurer that,
28 with respect to accidents occurring while the certificate is in
29 force, he will pay the same amounts that an insurer would have

1 been obligated to pay under an owner's motor-vehicle liability
2 policy if it had issued such a policy to said self-insurer.

3 Sec. 42. SELF-INSURERS.

4 (1) Any person in whose name more than twenty-five
5 (25) vehicles are registered in this state may qualify as a self-
6 insurer by obtaining a certificate of self-insurance issued by the
7 department as provided in subsection (2) of this section.

8 (2) The department may, in its discretion, upon the appli-
9 cation of such a person, issue a certificate of self-insurance when
10 it is satisfied that such person is possessed and will continue to be
11 possessed of ability to pay judgments obtained against such person.
12 Such certificate may be issued authorizing a person to act as a self-
13 insurer for either property damage or bodily injury, or both.

14 (3) Upon not less than five (5) days notice and a
15 hearing pursuant to such notice, the department may upon reasona-
16 ble grounds cancel a certificate of self-insurance. Failure to
17 pay any judgment within thirty (30) days after such judgment
18 shall have become final shall constitute a reasonable ground
19 for the cancellation of a certificate of self-insurance.

20 Sec. 43. CERTIFICATE OF INSURANCE AS PROOF. Proof of fin-
21 ancial responsibility for the future may be furnished by filing
22 with the department the written certificate of any insurance
23 carrier duly authorized to do business in this state certifying
24 that there is in effect a motor-vehicle liability policy for the
25 benefit of the person required to furnish proof of financial res-
26 ponsibility. Such certificate shall give the effective date of
27 such motor-vehicle liability policy, which date shall be the
28 same as the effective date of the certificate, and shall designate
29 by explicit description or by appropriate reference all vehicles

1 covered thereby, unless the policy is issued to a person who is
2 not the owner of a motor vehicle.

3 Sec. 44. CERTIFICATE FURNISHED BY NON-RESIDENT AS PROOF.

4 A non-resident may give proof of financial responsibility by
5 filing with the department a written certificate or certificates
6 of an insurance carrier authorized to transact business in the
7 state in which the vehicle, or vehicles, owned by such non-resident
8 resides, if he does not own a vehicle, provided such certificate
9 otherwise conforms with the provisions of this Act, and the
10 department shall accept the same upon condition that said insur-
11 ance carrier complies with the following provisions with respect
12 to the policies so certified:

13 (1) Said insurance carrier shall execute a power of
14 attorney authorizing the superintendent to accept service on its
15 behalf of notice or process in any action arising out of a motor-
16 vehicle accident in this state;

17 (2) Said insurance carrier shall agree in writing that
18 such policies shall be deemed to conform with the laws of this
19 state relating to the terms of motor-vehicle liability policies
20 issued therein.

21 Sec. 45. DEFAULT BY NON-RESIDENT INSURER. If any insurance
22 carrier not authorized to transact business in this state, which
23 has qualified to furnish proof of financial responsibility, de-
24 faults in any said undertakings or agreements, the department
25 shall not thereafter accept as proof any certificate of said
26 carrier whether theretofore filed or thereafter tendered as proof,
27 so long as such default continues.

28 Sec. 46. MOTOR-VEHICLE LIABILITY POLICY.

29 (1) A "motor-vehicle liability policy" as the term is used in

1 this Act shall mean an "owner's policy" or an "operator's
2 policy" containing an agreement or endorsement as provided
3 in Sec. 46 (a), or certified as provided in Sec. 43 or Sec.
4 44 as proof of financial responsibility for the future, and
5 issued, except as otherwise provided in Sec. 44, by an in-
6 surance carrier duly authrozed to tansact business in this
7 state, to or for the benefit of the person named therein as
8 insured.

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

10 (a) Shall designate by explicit description or by
11 appropriate reference all vehicles with respect to which
12 coverage is thereby to be granted; and

13 (b) Shall insure the person named therein and any
14 other person, as insured, using any such vehicle or vehicles
15 with the express or implied permission of such named insured,
16 against loss from the liability imposed by law for damages
17 arising out of the ownership, maintenance or use of such
18 vehicle or vehicles within the United States of America or
19 the Dominion of Canada, subject to limits exclusive of in-
20 terest and costs, with respect to each such vehicle, as
21 follows: ten thousand (\$10,000.00) dollars because of
22 bodily injury to or death of one person in any one accident
23 and, subject to said limit for one person, twenty thousand
24 (\$20,000.00) dollars because of bodily injury to or death of
25 two or more persons in any one accident, and five thousand
26 (\$5,000.00) because of injury to or destruction of property
27 of others in any one accident.

28 (3) Such operator's policy of liability in-
29 surance shall insure the person named as insured

1 therein against loss from the liability imposed upon him by
2 law for damages arising out of the use by him of any motor
3 vehicle not owned by him, within the same territorial limits
4 and subject to the same limits of liability as are set forth
5 above with respect to **an** owner's policy of liability insurance.

6 (4) Such motor-vehicle liability policy shall state
7 the name and address of the named insured, the coverage afforded
8 by the policy, the premium charged therefor, the policy period
9 and the limits of liability, and shall contain an agreement
10 or be endorsed that insurance is provided thereunder in accor-
11 dance with the coverage as defined in this Act as respects
12 bodily injury and death or property damage, or both, and is
13 subject to all the provisions of this Act.

14 (5) Such motor-vehicle liability policy need not
15 insure any liability under any workmen's compensation law nor
16 any liability for damage to property owned by, rented to, in
17 charge of or transported by the insured.

18 (6) Every motor-vehicle liability policy shall be
19 subject to the following provisions which need not be contained
20 therein:

21 (a) The liability of the insurance carrier with
22 respect to the insurance required by this Act shall become absolute
23 whenever injury or damage covered by said motor-vehicle liability
24 policy occurs; said policy may not be cancelled or annulled as to
25 such liability after the occurrence of the injury or damage; no
26 statement made by the insured or on his behalf and no violation
27 of said policy shall defeat or void said policy.

28 (b) The satisfaction by the insured of a judgement
29 for such injury or damage shall not be a condition precedent

1 to the right or duty of the insurance carrier to make payment
2 on account of such injury or damage.

3 (c) The insurance carrier shall have the right to
4 settle any claim covered by the policy, and if such settle-
5 ment is made in good faith, the amount thereof shall be
6 deductible from the limits of liability specified in sub-
7 division (b) of subsection (2) of this section.

8 (d) The policy, the written application therefor,
9 if any, and any rider or endorsement which does not conflict
10 with the provisions of this Act shall constitute the entire
11 contract between the parties.

12 (7) Any policy which grants the coverage required for
13 a motor-vehicle liability policy may also grant any lawful cov-
14 erage in excess of or in addition to the coverage specified for
15 a motor-vehicle liability policy and such excess or additional
16 coverage shall not be subject to the provisions of this Act. With
17 respect to a policy which grants such excess or additional cover-
18 age the term "motor-vehicle liability policy" shall apply only to
19 that part of the coverage which is required by this section.

20 (8) Any motor-vehicle liability policy may provide that
21 the insured shall reimburse the insurance carrier for any payment
22 the insurance carrier would not have been obligated to make under
23 the terms of the policy except to the provisions of this Act.

24 (9) Any motor-vehicle liability policy may provide
25 for the prorating of the insurance thereunder with other valid
26 and collectible insurance.

27 (10) The requirements for a motor-vehicle liability
28 policy may be fulfilled by the policies of one or more insurance
29 carrier which policies together meet such requirements.

1 (11) Any binder issued pending the issuance of a motor-
2 vehicle liability policy shall be deemed to fulfill the require-
3 ments for such a policy.

4 Sec. 47. NOTICE OF CANCELLATION OR TERMINATION OF CERTIFIED
5 POLICY. When an insurance carrier has certified a motor-vehicle
6 liability policy under Sec. 43 or Sec. 44 the insurance so certi-
7 fied shall not be cancelled or terminated until at least ten (10)
8 days after a notice of cancellation or termination of the insur-
9 ance so certified shall be filed in the department, except that
10 such a policy subsequently procured and certified shall, on the
11 effective date of its certification, terminate for the purpose of
12 this Act the insurance previously certified with respect to any
13 vehicle designated in both certificates.

14 Sec. 48. ACT NOT TO AFFECT OTHER POLICIES.

15 (1) This Act shall not be held to apply to or affect
16 policies of automobile insurance against liability which may now
17 or hereafter be required by any other law of this state, except
18 that such policies, if they contain an agreement or are endorsed
19 to conform with the requirements of this Act, may be certified as
20 proof of financial responsibility under this Act.

21 (2) This Act shall not be held to apply to or affect
22 policies insuring solely the insured named in the policy against
23 liability resulting from the maintenance or use by persons in the
24 insured's employ or on his behalf of vehicles not owned by the
25 insured.

26 Sec. 49. BOND AS PROOF. Proof of financial responsibility
27 may be evidenced by the bond of a surety company duly authorized
28 to transact business within this state, which said bond shall be
29 conditioned for payment of the amounts specified in Sec. 25. Such

1 bond shall be filed with the department and shall not be cancell-
2 able except after ten (10) days written notice to the department.

3 Sec. 50. ACTION ON BOND. If such judgment, rendered against
4 the principal on such bond, shall not be satisfied within thirty
5 (30) days after it has become final, the judgment creditor may,
6 for his own use and benefit and at his sole expense, bring an
7 action or actions in the name of the state against the company
8 executing such bond.

9 Sec. 51. MONEY OR SECURITIES AS PROOF. Proof of financial
10 responsibility may be evidenced by the certificate from the
11 treasurer that the person named therein has deposited with him
12 twenty-five thousand (\$25,000.00) dollars in cash, or securities,
13 such as may legally be purchased by savings banks or for trust
14 funds or a market value of twenty-five thousand (\$25,000.00)
15 dollars. The Treasurer shall not accept any such deposit and
16 issue a certificate therefor and the department shall not accept
17 such certificate unless accompanied by evidence that there are no
18 unsatisfied judgments of any character against the depositor in
19 the recording district where the depositor resides.

20 Sec. 52. APPLICATION OF DEPOSIT. Such deposit shall be held
21 by the Treasurer to satisfy, in accordance with the provisions of
22 this Act, any execution on a judgment issued against such person
23 making the deposit, for damages, including damages for care and loss
24 of services, because of bodily injury to or death of any person, or
25 for damages because of injury to or destruction of property, includ-
26 ing the loss of use thereof, resulting from the ownership, main-
27 tenance, use or operation of a vehicle of a type subject to regis-
28 tration under the laws of this state after such deposit was made.
29 Money or securities so deposited shall not be subject to attach-

1 ment or execution unless such attachment or execution shall arise
2 out of a suit for damages as aforesaid.

3 Sec. 53. OWNER MAY GIVE PROOF FOR OTHERS.

4 (1) The owner of a motor vehicle may give proof of fin-
5 ancial responsibility on behalf of his employee or a member of his
6 immediate family or household in lieu of the furnishing of proof
7 by any said person. The furnishing of such proof shall permit such
8 person to operate only a motor vehicle covered by such proof. The
9 department shall endorse appropriate restrictions on the face of
10 the license held by such person, or may issue a new license con-
11 taining such restrictions.

12 (2) The department, upon receiving satisfactory evi-
13 dence of the violation of such restriction, may suspend said
14 license until a certificate is filed showing a policy issued to
15 the driver, which policy covers the driver as operator or owner
16 of the vehicle operated in violation of the restriction.

17 Sec. 54. SUBSTITUTION OF PROOF. The department shall consent
18 to the cancellation of any bond or certificate of insurance or the
19 department shall direct and the treasurer shall return any money
20 or securities to the person entitled thereto upon the substitution
21 and acceptance of other adequate proof of financial responsibility
22 pursuant to this Act.

23 Sec. 55. OTHER PROOF MAY BE REQUIRED. Whenever any proof of
24 financial responsibility filed under the provisions of this Act
25 no longer fulfills the purposes for which required, the depart-
26 ment shall, for the purpose of this Act, require other proof as
27 required by this Act and shall suspend the license pending the
28 filing of such other proof.

29 Sec. 56. DURATION OF PROOF: WHEN PROOF MAY BE CANCELLED OR

1 RETURNED.

2 (1) The department shall upon request consent to the
3 immediate cancellation of any bond or certificate of insurance,
4 or the department shall direct and the treasurer shall return to
5 the person entitled thereto any money or securities deposited
6 pursuant to this Act as proof of financial responsibility, or
7 the department shall waive the requirement of filing proof, in
8 any of the following events:

9 (a) At any time after three (3) years from the
10 date of such proof was required when, during the three-year
11 period preceding the request, the department has not received
12 record of a conviction or a forfeiture of bail which would
13 require or permit the suspension or revocation of the license
14 or registration of the person by or for whom such proof was
15 furnished; or

16 (b) In the event of the death of the person on
17 whose behalf such proof was filed or the permanent incapacity
18 of such person to operate a motor vehicle; or

19 (c) In the event the person who has given proof
20 surrenders his license to the department;

21 (2) Provided, however, that the department shall not
22 consent to the cancellation of any bond or the return of any money
23 or securities in the event any action for damages upon a liability
24 covered by such proof is then pending or any judgment upon any
25 such liability is then unsatisfied, or in the event the person
26 who has filed such bond or deposited such money or securities has
27 within one (1) year immediately preceding such request been involved
28 as a driver or owner in any motor-vehicle accident resulting in
29 injury or damage to the person or property of others. An affidavit

1 of the applicant as to the non-existence of such facts, or that
2 he has been released from all of this liability, or has been
3 finally adjudicated not to be liable, for such injury or damage,
4 shall be sufficient evidence thereof in the absence of evidence
5 to the contrary in the records of the department.

6 (3) Whenever any person, whose proof has been cancelled
7 or returned under subdivision (c) of this section applies for a
8 license within a period of three (3) years from the date proof was
9 originally required, any such application shall be refused unless
10 the applicant shall re-establish such proof for the remainder of
11 such three-year period.

12 Sec. 57. TRANSFER OF REGISTRATION TO DEFEAT PURPOSE OF ACT
13 PROHIBITED.

14 (1) If an owner's registration has been suspended here-
15 under, such registration shall not be transferred nor the vehicle
16 in respect to which such registration was issued be registered on
17 any other name until the department is satisfied that such trans-
18 fer of registration is proposed in good faith and not for the
19 purpose or with the effect of defeating the purposes of this Act.

20 (2) Nothing in this section shall in any wise affect
21 the rights of any conditional vendor, chattel mortgagee or lessor
22 of such a vehicle registered in the name of another as owner
23 who becomes subject to the provisions of this Act.

24 (3) The department shall suspend the registration of any
25 vehicle transferred in violation of the provisions of this section.

26 Sec. 58. SURRENDER OF LICENSE AND REGISTRATION.

27 (1) Any person whose license or registration shall
28 have been suspended under any provision of this Act, or whose
29 policy of insurance or bond, when required under this Act, shall

1 have been cancelled or terminated, shall immediately return
2 his license or registration to the department. If any person
3 shall fail to return to the department the license or registra-
4 tion as provided herein, the department shall forthwith direct
5 any peace officer to secure possession thereof and to return
6 the same to the department.

7 (2) Any person wilfully failing to return license or
8 registration as required in paragraph (1) of this section shall
9 be fined not more than five hundred (\$500.00) dollars or im-
10 prisoned not to exceed thirty (30) days, or both.

11 Sec. 59. FORGED PROOF. Any person who shall forge, or, with-
12 out authority, sign any evidence of proof of financial responsi-
13 bility for the future, or who files or offers for filing any such
14 evidence of proof knowing or having reason to believe that it is
15 forged or signed without authority, shall be fined not more than
16 one thousand (\$1,000.00) dollars or imprisoned for not more than
17 one (1) year, or both.

18 Sec. 60. ASSIGNED RISK PLANS. After consultation with the
19 insurance companies authorized to issue automobile liability pol-
20 icies in this state the commissioner of insurance shall approve
21 a reasonable plan or plans, fair to the insurers and equitable
22 to their policyholders, for the apportionment among such com-
23 panies of applicants for such policies and for motor-vehicle
24 liability policies who are in good faith entitled to but are
25 unable to procure such policies through ordinary methods. When
26 any such plan has been approved, all such insurance companies shall
27 subscribe thereto and participate therein. Any applicant for any
28 such policy, any person insured under any such plan, and any
29 insurance company affected, may appeal to the commissioner of

1 insurance from any ruling or decision of the board or committee
2 designated to operate such plan. Any order or act of the commis-
3 sioner of insurance under the provisions of this section shall be
4 subject to review, by appeal, under the provisions of the uniform
5 administrative procedures act of the state.

6 Sec. 61. PAST APPLICATION OF ACT. This Act shall not apply
7 with respect to any accident, or judgment arising therefrom, or
8 violation of the motor-vehicle laws of this state, occurring prior
9 to the effective date of this Act.

10 Sec. 62. ACT NOT TO PREVENT OTHER PROCESS. Nothing in this
11 Act shall be construed as preventing the plaintiff in any action at
12 law from relying for relief upon the other processes provided by
13 law.

14 Sec. 63. PROVISIONS OF ACT APPLYING THROUGHOUT STATE. The
15 provisions of this Act shall apply upon highways and elsewhere
16 throughout the state.

17 Sec. 64. CONSTITUTIONALITY. If any part or parts of this
18 Act shall be held to be unconstitutional, such unconstitutionality
19 shall not affect the validity of the remaining parts of this Act.
20 The Legislature hereby declares that it would have passed the
21 remaining parts of this Act if it had known that such part or
22 parts thereof would be declared unconstitutional.

23 Sec. 65. TIME OF TAKING EFFECT. This Act shall take effect
24 from and after the first day of July, 1959.
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