

SECOND REGULAR SESSION

# SENATE BILL NO. 592

89TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR GOODE.

Pre-filed December 9, 1997, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S2246.011

## AN ACT

To repeal sections 303.041 and 303.190, RSMo 1994, and sections 303.024 and 303.026, RSMo Supp. 1997, relating to financial responsibility for motor vehicles, and to enact in lieu thereof five new sections relating to the same subject, with an effective date.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 303.041 and 303.190, RSMo 1994, and sections 303.024 and 303.026, RSMo Supp. 1997, are repealed and five new sections enacted in lieu thereof, to be known as sections 303.024, 303.026, 303.028, 303.041 and 303.190, to read as follows:

303.024. 1. Each insurer issuing motor vehicle liability policies in this state, or an agent of the insurer, shall furnish an insurance identification card to the named insured for each motor vehicle insured by a motor vehicle liability policy that complies with the requirements of sections 303.010 to 303.050, 303.060, 303.140, 303.220, 303.290, 303.330 and 303.370.

2. The insurance identification card shall include all of the following information:

- (1) The name and address of the insurer;
- (2) The name of the named insured;
- (3) The policy number;
- (4) The effective dates of the policy, including month, day and year;
- (5) A description of the insured motor vehicle, including year and make or at least five digits of the vehicle identification number or the word "Fleet" if the insurance policy covers five or more motor vehicles; and
- (6) The statement "THIS CARD MUST BE CARRIED IN THE INSURED MOTOR VEHICLE FOR PRODUCTION UPON DEMAND" prominently displayed on the card.

**EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

3. A new insurance identification card shall be issued when the insured motor vehicle is changed, when an additional motor vehicle is insured, and when a new policy number is assigned. A replacement insurance identification card shall be issued at the request of the insured in the event of loss of the original insurance identification card.

4. The director shall furnish each self-insurer, as provided for in section 303.220, an insurance identification card for each motor vehicle so insured. The insurance identification card shall include all of the following information:

- (1) Name of the self-insurer;
- (2) The word "self-insured"; and
- (3) The statement "THIS CARD MUST BE CARRIED IN THE SELF-INSURED MOTOR VEHICLE FOR PRODUCTION UPON DEMAND" prominently displayed on the card.

5. An insurance identification card shall be carried in the insured motor vehicle at all times. The operator of an insured motor vehicle shall exhibit the insurance identification card on the demand of any peace officer who lawfully stops such operator or investigates an accident while that officer is engaged in the performance of the officer's duties. If the operator fails to exhibit an insurance identification card, the officer shall notify the director of revenue, in the manner determined by the director, **[and] or** the officer may issue a citation to the operator pursuant to subsection 6 of this section. A motor vehicle liability insurance policy, a motor vehicle liability insurance binder, or receipt which contains the policy information required in subsection 2 of this section, shall be satisfactory evidence of insurance in lieu of an insurance identification card.

6. Any person failing to exhibit an insurance identification card or other satisfactory evidence of insurance in lieu of such card upon the demand of any peace officer pursuant to this section is guilty of a class C misdemeanor. However, no person shall be found guilty of violating this section if the operator demonstrates to the court that he or she met the financial responsibility requirements of section 303.025 at the time the peace officer wrote the citation.

**7. The court shall notify the director of revenue of any person found guilty of failing to meet the financial responsibility requirement of section 303.025.**

303.026. 1. The director shall inform each owner who registers a motor vehicle of the following:

- (1) The existence of the requirement that every motor vehicle owner in the state must maintain his financial responsibility;
- (2) The requirement that every motor vehicle owner show an insurance identification card, or a copy thereof, or other proof of financial responsibility at the time of vehicle registration; this notice shall be given at least thirty days prior to the month for renewal and shall be shown in bold, colored print;
- (3) **The requirement to file new evidence of financial responsibility upon the termination of a motor vehicle liability policy prior to the end of the policy term;**

(4) The penalties which apply to violations of the requirement to maintain financial responsibility;

[(4)] (5) The benefits of maintaining coverages in excess of those which are required;

[(5)] (6) The director's authority to conduct samples of Missouri motor vehicle owners to insure compliance.

2. No motor vehicle owner shall be issued registration for a vehicle unless the owner, or his authorized agent, signs an affidavit provided by the director of revenue at the time of registration of the vehicle certifying that such owner has and will maintain, during the period of registration, financial responsibility with respect to each motor vehicle that is owned, licensed or operated on the streets or highways. The affidavit need not be notarized, but it shall be acknowledged by the person processing the form. The affidavit shall state clearly and in bold print the following: "Any false affidavit is a crime under section 575.050 of Missouri law." In addition, every motor vehicle owner shall show proof of such financial responsibility by presenting his or her insurance identification card, as described in section 303.024, or a copy thereof, or some other proof of financial responsibility in the form prescribed by the director of revenue at the time of registration unless such owner registers his vehicle in conjunction with a reciprocity agreement entered into by the Missouri highway reciprocity commission pursuant to sections 301.271 to 301.279, RSMo, or unless the owner insures the vehicle according to the requirements of the division of motor carrier and railroad safety pursuant to section 390.126, RSMo.

3. The director shall [annually select for financial responsibility verification, a sample of the motor vehicle registrations or licenses which is statistically significant to determine the number of insured motorists in the state of Missouri, or to insure compliance. The director may utilize a variety of sampling techniques including but not limited to the processing of uniform traffic tickets, point system warning letters, and random surveys of motor vehicle registrations] **verify the existence of financial responsibility upon receiving notice from any law enforcement officer pursuant to section 303.024.** The director of revenue may verify the financial responsibility of any person reported under section 303.040.

4. Upon determination that the information provided by the owner or authorized agent is inaccurate, the director shall notify the owner of the need to provide, within thirty days, information establishing the existence of the required financial responsibility as of the date of such notice. Failure to provide such information shall result in the suspension of all registrations of the owner's motor vehicles failing to meet such requirements, as is provided in section 303.041.

**303.028. 1. Every insurer issuing motor vehicle liability insurance policies in this state shall notify the director of insurance whenever any liability policy is terminated, canceled or otherwise made ineffective prior to the end of the policy term.**

**2. The notification shall be made within five business days after the end of the month in which the termination occurred. The notification shall be made in a format**

**acceptable to the director, and it shall include, but not be limited to, the following information:**

**(1) The name, address and telephone number of the vehicle owner or other person in whose name the vehicle is registered;**

**(2) The name, address and telephone number of the insurer which issued the policy;**

**(3) The year, make, model and vehicle identification number of the vehicle for which the insurance policy was issued;**

**(4) The date the policy was issued; and**

**(5) The date the policy was terminated, canceled or otherwise made ineffective.**

**3. Whenever a termination notice is received under this section, the director of insurance shall notify the registered owner of the vehicle and request evidence of financial responsibility in a form required under section 303.026. The director's notice shall state that the vehicle owner must file evidence of financial responsibility within thirty days or forfeit his or her motor vehicle registration and operator's license.**

**4. Every motor vehicle owner who terminates, cancels or otherwise makes a motor vehicle liability policy ineffective prior to the end of the policy term shall file evidence of financial responsibility with the director of revenue in the form required under section 303.026. The vehicle owner shall be subject to suspension under section 303.041 if evidence of financial responsibility is not filed in response to the director's notice.**

303.041. 1. If the director determines that the operator or owner of a motor vehicle has not maintained the financial responsibility required in section 303.025 as a result of a financial responsibility verification [sample] as provided for in section 303.026, **as a result of a notice of termination under section 303.028**, or as a result of an accident report as required by section 303.040, [or either,] the director shall thirty-three days after mailing notice to the owner or operator suspend the license of the owner or operator, or both, and all registrations of the owner's motor vehicles failing to meet such requirement. The notice of suspension shall be mailed to the person at the last known address shown on the department's records, and to the address provided by the accident report if that address differs from the address of record. The notice is deemed received three days after mailing. The notice of suspension shall clearly specify the reason and statutory grounds for the suspension and the effective date of the suspension, the right of the person to request a hearing, the procedure for requesting a hearing, and the date by which that request for a hearing must be made.

2. If any person shall neglect or refuse to surrender his license or registration within fifteen days of the suspension or revocation date, a fee of twenty-five dollars shall be assessed for each month or portion thereof that the license or registration is not surrendered, not to exceed three hundred dollars.

303.190. 1. A "motor vehicle liability policy" as said term is used in this chapter shall mean an owner's or an operator's policy of liability insurance, certified as provided in section 303.170 or section 303.180 as proof of financial responsibility, and issued, except as otherwise provided in section 303.180 by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named therein as insured.

2. Such owner's policy of liability insurance:

(1) Shall designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby to be granted; and

(2) Shall insure the person named therein and any other person, as insured, using any such motor vehicle or motor vehicles with the express or implied permission of such named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of such motor vehicle or motor vehicles within the United States of America or the Dominion of Canada, subject to limits, exclusive of interest and costs, with respect to each such motor vehicle, as follows: twenty-five thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and ten thousand dollars because of injury to or destruction of property of others in any one accident.

3. Such operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the said territorial limits and subject to the same limits of liability as are set forth above with respect to any owner's policy of liability insurance.

4. Such motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period and the limits of liability, and shall contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this chapter as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this chapter.

5. Such motor vehicle liability policy need not insure any liability under any workers' compensation law nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance or repair of any such motor vehicle nor any liability for damage to property owned by, rented to, in charge of or transported by the insured.

6. Every motor vehicle liability policy shall be subject to the following provisions which need not be contained therein:

(1) The liability of the insurance carrier with respect to the insurance required by this chapter shall become absolute whenever injury or damage covered by said motor vehicle liability policy occurs; said policy may not be canceled or annulled as to such liability by any agreement

between the insurance carrier and the insured after the occurrence of the injury or damage; no statement made by the insured or on his behalf and no violation of said policy shall defeat or void said policy;

(2) The satisfaction by the insured of a judgment for such injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of such injury or damage;

(3) The insurance carrier shall have the right to settle any claim covered by the policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in subdivision (2) of subsection 2 of this section;

(4) The policy, the written application thereof, if any, and any rider or endorsement which does not conflict with the provisions of this chapter shall constitute the entire contract between the parties.

7. Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy and such excess or additional coverage shall not be subject to the provisions of this chapter. With respect to a policy which grants such excess or additional coverage the term "motor vehicle liability policy" shall apply only to that part of the coverage which is required by this section.

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

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

10. The requirements of a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers which policies together meet such requirements.

11. Any binder issued pending the issuance of a motor vehicle liability policy shall be deemed to fulfill the requirement for such a policy.

**12. Every motor vehicle liability policy issued to meet the requirements of this chapter shall have a minimum term of six months.**

Section B. The provisions of this act shall become effective on January 1, 1999.

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