

FIRST REGULAR SESSION

SENATE BILL NO. 263

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CASKEY.

Read 1st time January 13, 1999, and 1,000 copies ordered printed.

S0646.011

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 303.020, 303.120 and 303.190, RSMo 1994, and sections 303.025 and 303.030, RSMo Supp. 1998, relating to motor vehicle insurance, and to enact in lieu thereof five new sections relating to the same subject.

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

Section A. Sections 303.020, 303.120 and 303.190, RSMo 1994, and sections 303.025 and 303.030, RSMo Supp. 1998, are repealed and five new sections enacted in lieu thereof, to be known as sections 303.020, 303.025, 303.030, 303.120 and 303.190, to read as follows:

303.020. As used in this chapter the following words and phrases shall mean:

(1) "Chauffeur", a person who is employed for the principal purpose of operating a motor vehicle or any person who drives a motor vehicle while in use as a public or common carrier of persons or property for hire;

(2) "Director", director of revenue of the state of Missouri, acting directly or through his authorized officers and agents;

(3) "Judgment", a final judgment by a court of competent jurisdiction of any state or of the United States, upon a claim for relief for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, or upon a claim for relief on any agreement or settlement for such damages arising out of the ownership, maintenance or use of any motor vehicle;

(4) "License", an operator's or driver's license, temporary instruction permit, chauffeur's or registered operator's license issued under the laws of this state;

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

(5) "Motor vehicle", a self-propelled vehicle which is designed for use upon a highway, except trailers designed for use with such vehicles, traction engines, road rollers, farm tractors, tractor cranes, power shovels, well drillers and motorized bicycles, as defined in section 307.180, RSMo, and every vehicle which is propelled by electric power obtained from overhead wires but not operated upon rails;

(6) "Nonresident", a person not a resident of the state of Missouri;

(7) "Nonresident's operating privilege", the privilege conferred upon a nonresident by the laws of this state pertaining to the operation by him of a motor vehicle, or the use of a motor vehicle owned by him in this state;

(8) "Operator", a person who is in actual physical control of a motor vehicle;

(9) "Owner", a person who holds the legal title to a motor vehicle; or in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a motor vehicle is entitled to possession thereof, then such conditional vendee or lessee or mortgagor;

(10) "Proof of financial responsibility", proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of said proof, arising out of the ownership, maintenance or use of a motor vehicle, in the amount of **[twenty-five] fifty** thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to said limit for one person, in the amount of **[fifty] one hundred** thousand dollars because of bodily injury to or death of two or more persons in any one accident, and in the amount of **[ten] twenty-five** thousand dollars because of injury to or destruction of property of others in any one accident;

(11) "Registration", registration certificate or certificates and registration plates issued under the laws of this state pertaining to the registration of motor vehicles;

(12) "State", any state, territory or possession of the United States, the District of Columbia, or any province of the Dominion of Canada;

(13) "Street" or "highway", the entire width between property lines of every way or place of whatever nature when any part thereof is open to the use of the public, as a matter of right, for purposes of vehicular traffic.

303.025. 1. No owner of a motor vehicle registered in this state, or required to be registered in this state, shall operate the vehicle, or authorize any other person to operate the vehicle, unless the owner maintains the financial responsibility as required in this section. Furthermore, no person shall operate a motor vehicle owned by another with the knowledge that the owner has not maintained financial responsibility unless such person has financial responsibility which covers the person's operation of the other's vehicle. Any person who violates this section is guilty of a class C misdemeanor.

2. A motor vehicle owner shall maintain the owner's financial responsibility in a manner

provided for in section 303.160, or with a motor vehicle liability policy which conforms to the requirements of the laws of this state.

3. Nothing in sections 303.010 to 303.050, 303.060, 303.140, 303.220, 303.290, 303.330 and 303.370 shall be construed as prohibiting the department of insurance from approving or authorizing those exclusions and limitations which are contained in automobile liability insurance policies and the uninsured motorist provisions of automobile liability insurance policies.

4. This section shall not apply to the state of Missouri or its political subdivisions.

303.030. 1. If within twenty days after the receipt of a report of a motor vehicle accident within this state which has resulted in bodily injury or death, or damage to the property of any one person in excess of five hundred dollars, the director does not have on file evidence satisfactory to him that the person who would otherwise be required to file security under subsection 2 of this section has been released from liability, or has been finally adjudicated not to be liable, or has executed a duly acknowledged written agreement providing for the payment of an agreed amount in installments with respect to all claims for injuries or damages resulting from the accident, the director shall determine the amount of security which shall be sufficient in his judgment to satisfy any judgment for damages resulting from such accident as may be recovered against each operator or owner. Any person challenging the director's determination shall have the burden of proving he or she was not at fault.

2. The director shall, within ninety days after the receipt of such report of a motor vehicle accident, suspend the license of each operator, and all registrations of each owner of a motor vehicle, in any manner involved in such accident, and if such operator is a nonresident the privilege of operating a motor vehicle within this state, and if such owner is a nonresident the privilege of the use within this state of any motor vehicle owned by him, unless such operator or owner or both shall deposit security in the sum so determined by the director; provided notice of such suspension shall be sent by the director to such operator and owner not less than ten days prior to the effective date of such suspension and shall state the amount required as security; provided, however, that the period of suspension provided for in this section shall be in addition to any period of suspension imposed under sections 303.041 and 303.042.

3. Where erroneous information is given the director with respect to the matters set forth in subdivision (1), (2) or (3) of subsection 4 of this section, he shall take appropriate action as hereinbefore provided, within forty-five days after receipt by him of correct information with respect to said matters.

4. This section shall not apply under the conditions stated in section 303.070, nor:

(1) To such operator or owner if such owner had in effect at the time of such accident an automobile liability policy with respect to the motor vehicle involved in such accident;

(2) To such operator, if not the owner of such motor vehicle, if there was in effect at the

time of such accident an automobile liability policy or bond with respect to his operation of motor vehicles not owned by him;

(3) To such operator or owner if the liability of such operator or owner for damages resulting from such accident is, in the judgment of the director, covered by any other form of liability insurance policy or bond; nor

(4) To any person qualifying as a self-insurer under section 303.220, nor to any person operating a motor vehicle for such self-insurer.

5. No such policy or bond shall be effective under this section unless issued by an insurance company or surety company authorized to do business in this state, except that if such motor vehicle was not registered in this state, or was a motor vehicle which was registered elsewhere than in this state at the effective date of the policy or bond, or the most recent renewal thereof, such policy or bond shall not be effective under this section unless the insurance company or surety company, if not authorized to do business in this state, shall execute a power of attorney authorizing the director to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident; provided, however, every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than [twenty-five] **fifty** thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not less than [fifty] **one hundred** thousand dollars because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than [ten] **twenty-five** thousand dollars because of injury to or destruction of property of others in any one accident.

303.120. 1. Judgments herein referred to shall, for the purpose of this chapter only, be deemed satisfied:

(1) When [twenty-five] **fifty** thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident; or

(2) When, subject to such limit of [twenty-five] **fifty** thousand dollars because of bodily injury to or death of one person, the sum of [fifty] **one hundred** thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident; or

(3) When [ten] **twenty-five** thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

2. Payments made in settlement of any claims because of bodily injury, death or property damage arising from a motor vehicle accident shall be credited in reduction of the amounts provided for in this section.

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] fifty** 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] one hundred** thousand dollars because of bodily injury to or death of two or more persons in any one accident, and **[ten] twenty-five** 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.

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