

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 SENATE BILL 338

By: Burns

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6 AS INTRODUCED

7 An Act relating to motor vehicle liability policies;
8 amending 47 O.S. Sections 6-115, as amended by
9 Section 55, Chapter 282, O.S.L. 2022, 6-120, as
10 amended by Section 61, Chapter 282, O.S.L. 2022, and
11 7-324 (47 O.S. Supp. 2022, Sections 6-115 and 6-120),
12 which relate to driver license and motor vehicle
13 liability insurance requirements; requiring certain
14 proof of coverage to apply for or renew a driver
15 license; providing enforcement for certain driver
16 license requirements; requiring promulgation of
17 rules; modifying definition; defining term; making
18 language gender neutral; creating non-owner insurance
19 policy; establishing requirements for certain policy
20 and security verification form; establishing
21 provisions for approval of certain form; requiring
22 certain security verification form be carried by
23 certain insured; requiring certain form be provided
24 for inspection upon request by certain persons;
25 updating statutory language; providing for
26 codification; and providing an effective date.

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29 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

30 SECTION 1. AMENDATORY 47 O.S. 2021, Section 6-115, as
31 amended by Section 55, Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022,
32 Section 6-115), is amended to read as follows:

33 Section 6-115. A. Except as otherwise provided in this
34 section, every driver license shall be issued for a period of either
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1 four (4) years or eight (8) years; provided, if the applicant or
2 licensee is an alien, the license shall be issued for a period which
3 does not exceed the lesser of:

4 1. Four (4) years or eight (8) years; or

5 2. The expiration date on the valid documentation authorizing
6 the presence of the applicant or licensee in the United States, as
7 required by paragraph 9 of subsection A of Section 6-103 of this
8 title.

9 B. Except as otherwise provided in this section, the expiration
10 date of an initial license shall be no more than either four (4)
11 years or eight (8) years from the last day of the month of issuance
12 or no more than either four (4) years or eight (8) years from the
13 last day of the birth month of the applicant immediately preceding
14 the date of issuance, if requested by the applicant.

15 C. Except as otherwise provided in this section, the expiration
16 date of a renewal license shall be:

17 1. For a renewal during the month of expiration, either four
18 (4) years or eight (8) years from the last day of the month of
19 expiration of the expiring license or either four (4) or eight (8)
20 years from the last day of the birth month of the licensee
21 immediately preceding the expiration date of the expiring license,
22 if requested by the licensee; or

23 2. For a renewal prior to the month of expiration, as provided
24 by rule of Service Oklahoma, either four (4) or eight (8) years from

1 the last day of the month of expiration of the current license;
2 provided, no license shall be issued with an expiration date of more
3 than five (5) years from the date of renewal on a four (4) year
4 license or nine (9) years from the date of renewal on an eight (8)
5 year license.

6 D. Notwithstanding the provisions of subsection E of Section
7 1550.42 of Title 21 of the Oklahoma Statutes, any Oklahoma driver
8 license that is not more than one (1) year past the date of
9 expiration provided on the driver license shall be presumed to be a
10 valid form of identification for the purposes of renewing an
11 Oklahoma driver license.

12 E. Except as otherwise provided in this section, every driver
13 license shall be renewable by the licensee upon application to
14 either Service Oklahoma or a licensed operator, furnishing the
15 current mailing address of the person and payment of the required
16 fee, if the person is otherwise eligible for renewal. If the
17 licensee is an alien, the licensee shall appear before a driver
18 license examiner of Service Oklahoma and shall be issued a renewal
19 driver license for a period which does not exceed the lesser of:

- 20 1. Four (4) years or eight (8) years; or
- 21 2. The expiration date on the valid documentation authorizing
22 the presence of the applicant or licensee in the United States, as
23 required by paragraph 9 of subsection A of Section 6-103 of this
24 title.

1 F. All applicants for renewals of driver licenses who have
2 proven collision records or apparent physical defects may be
3 required to take an examination as specified by Service Oklahoma.

4 G. When a person makes application for a driver license, or
5 makes application to renew a driver license, and the person has been
6 convicted of, or received a deferred judgment for, any offense
7 required to register pursuant to the Sex Offenders Registration Act,
8 the driver license shall be valid for a period of one (1) year from
9 the month of issuance, but may be renewed yearly during the time the
10 person is registered on the Sex Offender Registry. Notwithstanding
11 any other provision of law, the cost for such license shall be the
12 same as for other driver licenses and renewals.

13 H. Upon an application for a driver license or a renewal of a
14 driver license, proof of coverage under a motor vehicle liability
15 policy as defined pursuant to Section 7-324 of this title shall be
16 submitted with such application.

17 I. Service Oklahoma shall promulgate rules prescribing forms of
18 identification acceptable for the renewal of an Oklahoma driver
19 license.

20 SECTION 2. AMENDATORY 47 O.S. 2021, Section 6-120, as
21 amended by Section 61, Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022,
22 Section 6-120), is amended to read as follows:
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1 Section 6-120. A. Service Oklahoma is hereby authorized to
2 cancel, deny, or disqualify the driver license, driving privilege or
3 application of any individual who:

4 1. Fails to comply with any of the requirements of Section 6-
5 119 of this title within thirty (30) days after being notified by
6 Service Oklahoma;

7 2. Is unable to demonstrate the ability to operate a motor
8 vehicle as provided by this title or whose driving constitutes a
9 danger to the welfare and safety of persons using the streets and
10 highways of ~~the State of Oklahoma~~ this state; or

11 3. Fails to pass an examination pursuant to Section 6-110, 6-
12 115 or 6-119 of this title.

13 B. If a person is required to be examined pursuant to Sections
14 6-110, 6-115 or 6-119 of this title, the Department shall impose the
15 appropriate restriction or restrictions on the license that are
16 necessary to ensure the safe operation of a motor vehicle as
17 provided under Section 6-113 of this title.

18 C. If the motor vehicle liability policy, as defined pursuant
19 to Section 7-324 of this title, used to obtain a driver license is
20 canceled, the insurance company administering the policy shall
21 notify Service Oklahoma within ten (10) days of cancellation. Upon
22 notice by an insurance company to Service Oklahoma, the person
23 covered under the policy shall provide the agency with proof of
24 applicable coverage within thirty (30) days of cancelation. Failure

1 to provide proof of coverage within thirty (30) days shall result in
2 the revocation of the person's driver license. Service Oklahoma
3 shall promulgate rules to effectuate the provisions of this
4 subsection.

5 D. Any person whose driver license or driving privilege is
6 canceled, denied, or disqualified under the provisions of this
7 section shall have the right to an appeal as provided in Section 6-
8 211 of this title.

9 ~~D.~~ E. Any person whose Class A, B, or C driver license or
10 driving privilege is disqualified under the provisions of this
11 section shall relinquish to Service Oklahoma the Class A, B, or C
12 driver license and may replace it with a Class D driver license, if
13 the person is otherwise qualified for a Class D driver license.

14 SECTION 3. AMENDATORY 47 O.S. 2021, Section 7-324, is
15 amended to read as follows:

16 Section 7-324. ~~(a)~~ A. Certification. A "motor vehicle
17 liability policy" as the term is used in this article shall mean an
18 "owner's policy" ~~or an~~, "operator's policy", or "non-owner's policy"
19 as defined pursuant to Section 4 of this act of liability insurance,
20 ~~certified as provided in Section 7-321 or Section 7-322 of this~~
21 ~~title as proof of financial responsibility, and issued, except as~~
22 ~~otherwise provided in Section 7-322 of this title,~~ by an insurance
23 carrier duly authorized to transact business in this state, to or
24 for the benefit of the person named therein as insured.

1 ~~(b)~~ B. Owner's policy. Such owner's policy of liability
2 insurance:

3 1. Shall designate by explicit description or by appropriate
4 reference all vehicles with respect to which coverage is thereby to
5 be granted; ~~and~~

6 2. Shall insure the person named therein and any other person
7 except as herein provided, as insured, using any such vehicle or
8 vehicles with the express or implied permission of such named
9 insured, against loss from the liability imposed by law for damages
10 arising out of the ownership, maintenance or use of such vehicle or
11 vehicles within the United States of America or the Dominion of
12 Canada, subject to limits exclusive of interest and costs, with
13 respect to each such vehicle, as follows: Twenty-five Thousand
14 Dollars (\$25,000.00) because of bodily injury to or death of one
15 person in any one accident and, subject to said limit for one
16 person, Fifty Thousand Dollars (\$50,000.00) because of bodily injury
17 to or death of two or more persons in any one accident, and Twenty-
18 five Thousand Dollars (\$25,000.00) because of injury to or
19 destruction of property of others in any one accident; and

20 3. May by agreement in a separate written endorsement between
21 any named insured and the insurer exclude as insured any person or
22 persons designated by name from coverage under the policy.

23 ~~(c)~~ C. Operator's policy. Such operator's policy of liability
24 insurance shall insure the person named as insured therein against

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

7 D. Non-owner's policy. A non-owner's policy of liability
8 insurance, as defined by Section 4 of this act, shall insure the
9 person named as insured therein against loss from the liability
10 imposed upon the person by law for damages arising out of the use by
11 the person of any motor vehicle not owned by the person, within the
12 same territorial limits and subject to the same limits of liability
13 as are set forth in subsection B of this section with respect to an
14 owner or operator's policy of liability insurance.

15 ~~(d)~~ E. Required statements in policies. Such motor vehicle
16 liability policy shall state the name and address of the named
17 insured, the coverage afforded by the policy, the premium charged
18 therefor, the policy period and the limits of liability, and shall
19 contain an agreement or be endorsed that insurance is provided
20 thereunder in accordance with the coverage defined in this chapter
21 as respects bodily injury and death or property damage, or both, and
22 is subject to all the provisions of this title.

23 ~~(e)~~ F. Policy need not insure workmen's compensation. Such
24 motor vehicle liability policy need not insure any liability under

1 any workmen's compensation law nor any liability on account of
2 bodily injury to or death of an employee of the insured while
3 engaged in the employment, other than domestic, of the insured, or
4 while engaged in the operation, maintenance or repair of any such
5 vehicle nor any liability for damage to property owned by, rented
6 to, in charge of or transported by the insured.

7 ~~(f)~~ G. Provisions incorporated in policy. Every motor vehicle
8 liability policy shall be subject to the following provisions which
9 need not be contained therein:

10 1. The liability of the insurance carrier with respect to the
11 insurance required by this title shall become absolute whenever
12 injury or damage covered by said motor vehicle liability policy
13 occurs; said policy may not be canceled or annulled as to such
14 liability by any agreement between the insurance carrier and the
15 insured after the occurrence of the injury or damage; no statement
16 made by the insured or on his behalf and no violation of said policy
17 shall defeat or void said policy.

18 2. The satisfaction by the insured of a judgment for such
19 injury or damage shall not be a condition precedent to the right or
20 duty of the insurance carrier to make payment on account of such
21 injury or damage.

22 3. The insurance carrier shall have the right to settle any
23 claim covered by the policy, and if such settlement is made in good
24 faith, the amount thereof shall be deductible from the limits of
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1 liability specified in paragraph 2 of subsection ~~(b)~~ B of this
2 section.

3 4. The policy, the written application therefor, if any, and
4 any rider or endorsement which does not conflict with the provisions
5 of this title shall constitute the entire contract between the
6 parties.

7 ~~(g)~~ H. Excess or additional coverage. Any policy which grants
8 the coverage required for a motor vehicle liability policy may also
9 grant any lawful coverage in excess of or in addition to the
10 coverage specified for a motor vehicle liability policy and such
11 excess or additional coverage shall not be subject to the provisions
12 of this title. With respect to a policy which grants such excess or
13 additional coverage, the term "motor vehicle liability policy" shall
14 apply only to that part of the coverage which is required by this
15 section.

16 ~~(h)~~ I. Reimbursement provision permitted. Any motor vehicle
17 liability policy may provide that the insured shall reimburse the
18 insurance carrier for any payment the insurance carrier would not
19 have been obligated to make under the terms of the policy except for
20 the provisions of this title.

21 ~~(i)~~ J. Proration of insurance permitted. Any motor vehicle
22 liability policy may provide for the prorating of the insurance
23 thereunder with other valid and collectible insurance.

1 ~~(j)~~ K. Multiple policies. The requirements for a motor vehicle
2 liability policy may be fulfilled by the policies of one or more
3 insurance carriers which policies together meet such requirements.

4 ~~(k)~~ L. Binders. Any binder issued pending the issuance of a
5 motor vehicle liability policy shall be deemed to fulfill the
6 requirements for such a policy.

7 SECTION 4. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 7-613 of Title 47, unless there
9 is created a duplication in numbering, reads as follows:

10 A. As used in this section, "non-owner's policy" means a policy
11 of motor vehicle liability insurance for a person who does not own a
12 vehicle that insures the person for damages arising out of the
13 operation or use by the person of any motor vehicle, subject to the
14 same limits or liability required in an owner's or operator's
15 policy.

16 B. A non-owner's policy of liability insurance shall be subject
17 to the provisions of Section 7-324 of Title 47 of the Oklahoma
18 Statutes.

19 C. Every carrier, upon issuing a non-owner's policy, or a
20 renewal thereof, shall issue to the insured a written non-owner's
21 security verification form of a size which may conveniently be
22 carried upon the person, containing the following minimum
23 information:

1 1. The name and address of the carrier and the five-digit
2 National Association of Insurance Commissioners (NAIC) company code;

3 2. The name, address, and telephone number of the person or
4 office where an inquiry may be made to verify the existence of
5 security;

6 3. The name of the named insured; provided, the address of the
7 named insured shall not be included;

8 4. A notice that, in accordance with the Compulsory Insurance
9 Law, liability coverage has been issued for the named insured;

10 5. A statement reflecting the form may be carried in lieu of an
11 owner's form pursuant to the Compulsory Insurance Law while
12 operating a motor vehicle. The form shall be produced upon request
13 of any peace officer, law enforcement office, or representative of
14 Service Oklahoma. In case of an accident, the form shall be shown
15 upon request of a person affected by an accident with a vehicle
16 operated by the insured;

17 6. The inclusive dates of liability coverage; and

18 7. The policy number.

19 D. A carrier may provide any additional information consistent
20 with the Compulsory Insurance Law of this state in a written non-
21 owner's security verification form but shall not be required to list
22 the actual amounts of liability coverage thereon. The security
23 verification form shall not constitute nor be construed as any part
24 of an insurance policy or renewal.

1 E. The Insurance Department may approve security verification
2 forms in both electronic and paper form.

3 F. On or after the effective date of this act, a person who
4 applies for a driver license or renewal thereof and who does not own
5 a vehicle shall provide the licensed operator proof of coverage
6 under a non-owner's policy as defined pursuant to subsection A of
7 this section.

8 G. A person covered by a non-owner's policy shall carry proof
9 of security at any time that the person is operating a motor
10 vehicle. Proof of security of a non-owner's policy shall be
11 produced for inspection upon request by any law enforcement officer
12 or representative of Service Oklahoma, and in case of an accident,
13 the proof shall be shown upon request of any person affected by the
14 accident.

15 SECTION 5. This act shall become effective November 1, 2023.

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