

1                                    HOUSE    BILL NO. 27  
 2    INTRODUCED BY    LESTER

3  
 4    A BILL FOR AN ACT ENTITLED: "AN ACT TO BE KNOWN AS THE  
 5    REVISED MOTOR VEHICLE SAFETY-RESPONSIBILITY ACT PROVIDING  
 6    FOR MOTOR VEHICLE LIABILITY PROTECTION FOR OWNERS AND  
 7    OPERATORS OF MOTOR VEHICLES AS A CONDITION OF OPERATION OF  
 8    THOSE VEHICLES UPON THE HIGHWAYS OR PROPERTY OPEN TO USE BY  
 9    THE PUBLIC AND GENERALLY REVISING THE PROVISIONS IN TITLE  
 10   53, CHAPTER 4, R.C.M. 1947; AMENDING SECTION 40-4403, R.C.M.  
 11   1947; REPEALING SECTIONS 53-418 THROUGH 53-420, AND 53-428  
 12   THROUGH 53-458, R.C.M. 1947; AND PROVIDING AN EFFECTIVE  
 13   DATE."

14  
 15    BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 16        Section 1. Short title. This act shall be known and  
 17    may be cited as the "Revised Motor Vehicle  
 18    Safety-Responsibility Act".

19        Section 2. Definitions. For the purposes of this act,  
 20    unless the context clearly indicates otherwise:

21        (1) "Department" means the department of justice  
 22    created by section 82A-1201, R.C.M. 1947.

23        (2) "License" means a license, temporary instruction  
 24    permit, or temporary license issued by the department for  
 25    the purpose of authorizing a person to operate a motor

1    vehicle on the public highways.

2        (3) "Motor vehicle" means a vehicle that must be  
 3    registered as a condition of operation on the highways of  
 4    this state in accordance with Title 53, R.C.M. 1947.

5        (4) "Operator" means the person in actual physical  
 6    control of a motor vehicle.

7        (5) "Owner" means a person, other than a lienholder,  
 8    having the property in or title to a motor vehicle. The  
 9    term includes a person entitled to the use and possession of  
 10   a motor vehicle subject to a security interest in another  
 11   person, but excludes a lessee under a lease not intended as  
 12   security.

13        (6) "Registration" means the registration certificates  
 14    and registration, number, or license plates issued in  
 15    accordance with the provisions of Title 53, R.C.M. 1947.

16        (7) "Uninsured motor vehicle" means a motor vehicle  
 17    for which a motor vehicle liability insurance policy meeting  
 18    the requirements of the laws of this state and of the  
 19    commissioner of insurance is not in effect.

20        (8) "Judgment" means an enforceable judgment that has  
 21    become final, without appeal, by expiration of the time  
 22    within which an appeal might have been perfected, or by  
 23    final affirmation on appeal, rendered by a court of  
 24    competent jurisdiction of a state or of the United States,  
 25    upon a cause of action arising out of the ownership,

HB 27

1 maintenance, or use upon a highway or property open to use  
 2 by the public, of a vehicle of a type subject to the motor  
 3 vehicle registration laws of this state, for damages,  
 4 including damages for care and loss of services, because of  
 5 bodily injury to or death of a person, or for damages  
 6 because of injury to or destruction of property, including  
 7 the loss of use of that property, or upon a cause of action  
 8 on an agreement of settlement for those damages.

9 (9) "Motor vehicle liability policy" means an owner's  
 10 or operator's policy of liability insurance issued by an  
 11 insurance carrier authorized to transact business in this  
 12 state or, in the case of a nonresident owner or operator, by  
 13 an insurance carrier authorized to transact business in his  
 14 state of residence, to or for the benefit of the person  
 15 named therein as insured.

16 Section 3. Motor vehicles must be insured. Except as  
 17 provided by this act:

18 (1) An owner may not permit the operation of an  
 19 uninsured motor vehicle upon a highway or upon property open  
 20 to use by the public.

21 (2) A person may not knowingly drive an uninsured  
 22 vehicle upon a highway or upon property open to use by the  
 23 public.

24 Section 4. Registration without insurance prohibited  
 25 -- revocation required. (1) Except as provided by this act,

1 no person may register or reregister a motor vehicle unless  
 2 that vehicle is covered by a motor vehicle liability  
 3 insurance policy meeting the requirements of the laws of  
 4 this state and the commissioner of insurance.

5 (2) Upon a showing by its records or other sufficient  
 6 evidence that the required insurance has not been provided  
 7 or maintained for a motor vehicle, the department shall  
 8 revoke its registration.

9 Section 5. Exempt vehicles. The following vehicles  
 10 and their drivers are exempt from the provisions of this  
 11 act:

12 (1) a vehicle owned by the United States government,  
 13 any state, or political subdivision;

14 (2) a vehicle for which cash, securities, or a bond  
 15 has been deposited or filed with the department upon such  
 16 terms and conditions providing the same benefits available  
 17 under a required motor vehicle liability insurance policy;

18 (3) a vehicle owned by a self-insurer certified as  
 19 provided in section 10 of this act;

20 (4) an implement of husbandry or special mobile  
 21 equipment that is only incidentally operated on a highway or  
 22 property open to use by the public;

23 (5) a vehicle operated upon a highway only for the  
 24 purpose of crossing such highway from one property to  
 25 another;

1 (6) a commercial vehicle registered or proportionally  
2 registered in this and any other jurisdiction provided that  
3 vehicle is covered by a motor vehicle liability insurance  
4 policy complying with the laws of another jurisdiction in  
5 which it is registered.

6 Section 6. Vehicles owned by nonresidents. (1) A  
7 vehicle owned by a nonresident and registered in a state  
8 requiring motor vehicle liability insurance may not be  
9 operated upon a highway or upon property open to use by the  
10 public unless a motor vehicle liability insurance policy  
11 meeting the requirements of the laws and regulations of that  
12 state is in effect or unless it otherwise complies with the  
13 laws of that state concerning compulsory financial  
14 responsibility. The department shall report a violation of  
15 this act to the motor vehicle administrator in the state  
16 where the vehicle is registered.

17 (2) A vehicle owned by a nonresident and registered in  
18 a state not requiring insurance is exempt from this act.

19 Section 7. Requirements concerning motor vehicle  
20 liability insurance. (1) An owner's motor vehicle  
21 liability insurance policy shall:

22 (a) designate by explicit description or by  
23 appropriate reference all motor vehicles covered by the  
24 policy; and

25 (b) shall insure the person named therein and any

1 other person, as insured, using any motor vehicle covered by  
2 the policy with the express or implied permission of the  
3 named insured, against loss from the liability imposed by  
4 law for damages arising out of the ownership, maintenance,  
5 or use of the motor vehicle or motor vehicles within the  
6 United States of America or the Dominion of Canada, subject  
7 to minimum limits exclusive of interest and costs, with  
8 respect to each such motor vehicle, as follows: twenty  
9 thousand dollars (\$20,000) because of bodily injury to or  
10 death of one person in any one accident and subject to said  
11 limit for one person, forty thousand dollars (\$40,000)  
12 because of bodily injury to or death of two or more persons  
13 in any one accident, and ten thousand dollars (\$10,000)  
14 because of injury to or destruction of property of others in  
15 any one accident.

16 (2) An operator's motor vehicle liability insurance  
17 policy shall insure the person named as insured therein  
18 against loss from the liability imposed upon him by law for  
19 damages arising out of the use by him of any motor vehicle  
20 not owned by him, within the same territorial limits and  
21 subject to the same limits of liability as are set forth  
22 above with respect to an owner's policy of liability  
23 insurance.

24 (3) A motor vehicle liability insurance policy shall  
25 state the name and address of the named insured, the

HB 27

1 coverage afforded by the policy, the premium charged  
2 therefor, the policy period and the limits of liability, and  
3 shall contain an agreement or be endorsed that insurance is  
4 provided thereunder in accordance with the coverage defined  
5 in this act as respects bodily injury and death or property  
6 damage, or both, and is subject to all the provisions of  
7 this act.

8 (4) A motor vehicle liability policy need not insure  
9 any liability under any workmen's compensation law nor any  
10 liability on account of bodily injury to or death of an  
11 employee of the insured while engaged in the employment,  
12 other than domestic, of the insured, or while engaged in the  
13 operation, maintenance or repair of a motor vehicle nor any  
14 liability for damage to property owned by, rented to, in  
15 charge of or transported by the insured.

16 (5) Each motor vehicle liability policy is subject to  
17 the following provisions, which need not be contained  
18 therein:

19 (a) the liability of the insurance carrier with  
20 respect to the insurance required by this act shall become  
21 absolute whenever injury or damage covered by the motor  
22 vehicle liability policy occurs; the policy may not be  
23 canceled or annulled as to that liability by any agreement  
24 between the insurance carrier and the insured after the  
25 occurrence of the injury or damage; no statement made by the

1 insured or on his behalf and no violation of the policy  
2 shall defeat or void that policy;

3 (b) the satisfaction by the insured of a judgment for  
4 an injury or damage is not a condition precedent to the  
5 right or duty of the insurance carrier to make payment on  
6 account of that injury or damage;

7 (c) the insurance carrier has the right to settle any  
8 claim covered by the policy, and if a settlement is made in  
9 good faith, the amount thereof is deductible from the limits  
10 of liability specified in subsection (1)(b) of this section;

11 (d) the policy, the written application therefor, if  
12 any, and any rider or endorsement that does not conflict  
13 with the provisions of the act shall constitute the entire  
14 contract between the parties.

15 (6) No motor vehicle policy may be subject to  
16 cancellation, termination, or premium increase, due to  
17 injury or damage incurred by the insured or operator unless  
18 the insured or operator be found to have violated a traffic  
19 law or ordinance of the state or a city; be found negligent  
20 or contributorily negligent in a court of law, or by the  
21 arbitration proceedings contained in chapter 201 of Title  
22 93, R.C.M. 1947; or pays damages to another party whether by  
23 settlement or otherwise. In no event may a premium be  
24 increased during the term of the policy unless there is a  
25 change in exposure.

1 (7) Any policy that grants the coverage required for a  
 2 motor vehicle liability policy may also grant any lawful  
 3 coverage in excess of or in addition to the coverage  
 4 specified for a motor vehicle liability policy and such  
 5 excess or additional coverage shall not be subject to the  
 6 provisions of this act. With respect to a policy that  
 7 grants excess or additional coverage, the term "motor  
 8 vehicle liability policy" shall apply only to that part of  
 9 the coverage required by this section.

10 (8) Any motor vehicle liability policy may provide  
 11 that the insured shall reimburse the insurance carrier for  
 12 any payment the insurance carrier would not have been  
 13 obligated to make under the terms of the policy except for  
 14 the provisions of this act.

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

18 (10) The requirements for a motor vehicle liability  
 19 policy may be fulfilled by the policies of one or more  
 20 insurance carriers which policies together meet such  
 21 requirements.

22 (11) Any binder issued pending the issuance of a motor  
 23 vehicle liability policy fulfills the requirements for such  
 24 a policy.

25 (12) A reduced limits endorsement may not be issued by

1 any company to be attached to any policy issued in  
 2 compliance with this section.

3 Section 8. Certification of insurance. (1) The  
 4 department may require the owner of a vehicle to provide  
 5 certification of the existence of a vehicle insurance policy  
 6 on a form it prescribes.

7 (2) Upon request of an insured person or upon request  
 8 of the department, an insurer shall verify the existence of  
 9 a motor vehicle liability insurance policy on a form  
 10 prescribed by the department.

11 Section 9. Termination of insurance. (1) Within  
 12 thirty (30) days after the cancellation, nonrenewal, or any  
 13 other termination of a motor vehicle liability insurance  
 14 policy, the owner shall return the registration for any  
 15 uninsured vehicle to the department.

16 (2) If, within thirty (30) days after the termination  
 17 of a motor vehicle liability insurance policy, the owner  
 18 insures the vehicle under another policy, he shall certify  
 19 the existence of that insurance on a form prescribed by the  
 20 department.

21 Section 10. Self-insurers. (1) Upon condition of  
 22 providing the same benefits available under a required motor  
 23 vehicle liability insurance policy, a person in whose name  
 24 more than twenty-five (25) motor vehicles are registered may  
 25 qualify as a self-insurer by obtaining a certificate of

HB27

1 self-insurance issued by the department as provided in  
2 subsection (2) of this section.

3 (2) The department may, in its discretion, upon an  
4 application for a certificate of self-insurance, issue that  
5 certificate when it is satisfied that the applicant is able  
6 and will continue to be able to pay the same benefits  
7 available under a required motor vehicle insurance policy.  
8 A certificate may be issued authorizing a person to act as a  
9 self-insurer for either property damage or bodily injury, or  
10 both.

11 (3) Upon not less than five (5) days' notice and a  
12 hearing pursuant to that notice, the department may upon  
13 reasonable grounds cancel a certificate of self-insurance.  
14 Failure to pay a valid claim within ninety (90) days of its  
15 submission or a judgment within thirty (30) days after it  
16 has become final is a reasonable ground for the cancellation  
17 of a certificate of self-insurance.

18 Section 11. When courts to report nonpayment of  
19 judgments. Whenever a person fails within sixty (60) days  
20 to satisfy a judgment, the clerk of the court, or the judge  
21 of a court that has no clerk, in which the judgment is  
22 rendered shall forward to the department a certified copy of  
23 the judgment. The certificates shall be on a form provided  
24 by the department and shall be prima facie evidence of the  
25 facts stated therein.

1 Section 12. Further action with respect to  
2 nonresidents. If the defendant named in a certified copy of  
3 a judgment is a nonresident, the department shall transmit a  
4 certified copy of the judgment to the motor vehicle  
5 administrator in the state where the defendant is a resident.

6 Section 13. Suspension for nonpayment of judgments.  
7 The department, upon receipt of a certified copy of a  
8 judgment, shall suspend the license and registration, and a  
9 nonresident's operating privilege, of any person against  
10 whom the judgment was rendered, except as otherwise provided  
11 in this act.

12 Section 14. Exception in relation to government  
13 vehicles. The provisions of the preceding section do not  
14 apply with respect to a judgment arising out of an accident  
15 caused by the ownership or operation, with permission, of a  
16 vehicle owned or leased to the United States, this state, a  
17 political subdivision of this state, or a municipality.

18 Section 15. Exception when insurer liable or  
19 insolvent. (1) No license, registration, or nonresident's  
20 operating privilege of any person may be suspended on  
21 account of the nonpayment of judgment provisions of this act  
22 if the department finds that an insurer was obligated to pay  
23 the judgment upon which the suspension is based, at least to  
24 the extent and for the amounts required by this act, but has  
25 not paid that judgment. A finding by the department that an

1 insurer is obligated to pay a judgment is not binding upon  
 2 the insurer and has no legal effect whatever except for the  
 3 purposes of administering this section. Whenever in a  
 4 judicial proceeding it is determined by a final judgment,  
 5 decree, or order that an insurer is not obligated to pay a  
 6 judgment, the department, notwithstanding a contrary finding  
 7 it has made, shall suspend the license and registration and  
 8 a nonresident's operating privilege of the person against  
 9 whom the judgment was rendered, except as provided in  
 10 subsection (2) of this section.

11 (2) The department may not suspend a license,  
 12 registration, or nonresident's operating privilege of a  
 13 person if the insurance applicable to that person or the  
 14 vehicle being operated by him was placed with an insurer  
 15 that was authorized to do business in this state and that,  
 16 subsequent to the accident involving the owner or driver and  
 17 prior to the settlement of the claim for that accident, went  
 18 into liquidation so that no benefit accrued to the owner or  
 19 driver by reason of its having provided that insurance.

20 Section 16. Suspension to continue until judgments  
 21 paid. A license, registration, or nonresident's operating  
 22 privilege suspended on account of nonpayment of judgment  
 23 shall remain suspended and may not be renewed, nor may a  
 24 license or registration be issued in the name of a person  
 25 holding a license or registration under suspension on

1 account of nonpayment of judgment. No license or  
 2 registration may be issued in the name of a person who has  
 3 not previously been licensed or has not previously  
 4 registered a vehicle and has not satisfied a judgment under  
 5 this act. When every judgment has been satisfied in  
 6 accordance with this act the restrictions in this section do  
 7 not apply.

8 Section 17. Payments sufficient to satisfy judgments.  
 9 (1) For the purposes of this act a judgment is considered  
 10 satisfied:

11 (a) when twenty thousand dollars (\$20,000) has been  
 12 credited upon any judgment or judgments rendered in excess  
 13 of that amount because of bodily injury to or death of one  
 14 person as the result of any one accident; or

15 (b) when, subject to a limit of twenty thousand  
 16 dollars (\$20,000) because of bodily injury to or death of  
 17 one person, the sum of forty thousand dollars (\$40,000) has  
 18 been credited upon any judgment or judgments rendered in  
 19 excess of that amount because of bodily injury to or death  
 20 of two (2) or more persons as the result of any one (1)  
 21 accident; or

22 (c) where ten thousand dollars (\$10,000) has been  
 23 credited upon any judgment or judgments rendered in excess  
 24 of that amount because of injury to or the destruction of  
 25 the property of others as the result of any one accident.

HB 27

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

5 Section 18. Installment payment of judgments --  
6 default. A judgment debtor, upon due notice to the judgment  
7 creditor, may apply to the court in which the judgment was  
8 rendered for the privilege of paying the judgment in  
9 installments. The court may, in its discretion and without  
10 prejudice to any other legal remedies the judgment creditor  
11 may have, then order and fix the amounts and times of  
12 payment of the installments.

13 (2) The department may not suspend a license,  
14 registration, or nonresident's operating privilege and shall  
15 restore any license, registration, or nonresident's  
16 operating privilege suspended following nonpayment of a  
17 judgment, when the judgment debtor obtains an order  
18 permitting the payment of the judgment in installments, and  
19 while the payment of those installments is not in default.

20 Section 19. Action if breach of agreement. Should a  
21 judgment debtor fail to pay an installment specified in an  
22 order for installment payment of a judgment, the department,  
23 upon notice of default, shall suspend the license,  
24 registration, or nonresident's operating privilege of the  
25 judgment debtor until the judgment is satisfied in

1 accordance with this act. After a default, the judgment  
2 debtor may again apply, after due notice to the judgment  
3 creditor, to the court that allowed the installment  
4 payments, within thirty (30) days after the default, for  
5 resumption of the privilege of payments by installments.  
6 The court may accept the application only after payment of  
7 past-due installments by the applicant.

8 Section 20. Assigned risk and claims plans. (1)  
9 After consultation with insurance companies authorized to  
10 issue motor vehicle liability insurance policies in this  
11 state, the commissioner of insurance shall approve  
12 reasonable assigned risk and claims plans as described in  
13 this section. Insofar as practicable, the plans shall be  
14 fair to the insurers and equitable to their policyholders.

15 (2) The commissioner of insurance shall approve a plan  
16 for the apportionment among the insurance companies of  
17 applicants for motor vehicle liability insurance policies  
18 who are unable to procure those policies through ordinary  
19 methods.

20 (3) The commissioner of insurance shall approve a plan  
21 for the apportionment among the insurance companies of  
22 claims by residents not covered by a motor vehicle liability  
23 insurance policy for damages arising out of the ownership,  
24 maintenance, or use of a vehicle upon the highways or upon  
25 property open to use by the public in this or another state.



1 Claims by persons who, at the time the claim originated,  
2 were in violation of section 3 of this act, are not eligible  
3 for payment under this subsection and payment of an assigned  
4 claim shall not exceed the limits in a required insurance  
5 policy.

6 (4) When a plan has been approved, all insurance  
7 companies authorized to issue motor vehicle liability  
8 insurance policies in this state shall subscribe to and  
9 participate in that plan.

10 (5) A person aggrieved by any order or act of the  
11 commissioner of insurance pursuant to this section may seek  
12 judicial review in accordance with the Montana  
13 Administrative Procedure Act.

14 Section 21. Act not to prevent other process. Nothing  
15 in this act prevents the plaintiff in any action at law from  
16 relying for relief upon the other processes provided by law.

17 Section 22. Saving clause. This act does not affect  
18 rights and duties that matured, penalties that were  
19 incurred, or proceedings that were begun before the  
20 effective date of this act.

21 Section 23. Section 40-4403, R.C.M. 1947, is amended  
22 to read as follows:

23 "40-4403. Motor vehicle liability policies to include  
24 uninsured motorist coverage -- rejection of coverage by  
25 insured. No automobile liability or motor vehicle liability

1 policy insuring against loss resulting from liability  
2 imposed by law for bodily injury or death suffered by any  
3 person arising out of the ownership, maintenance, or use of  
4 a motor vehicle, shall be delivered or issued for delivery  
5 in this state, with respect to any motor vehicle registered  
6 or principally garaged in this state, unless coverage is  
7 provided therein or supplemental thereto, in limits for  
8 bodily injury or death set forth in ~~section 53-422~~ Title 53,  
9 under provisions filed with and approved by the insurance  
10 commissioner, for the protection of persons insured  
11 thereunder who are legally entitled to recover damages from  
12 owners or operators of uninsured motor vehicles because of  
13 bodily injury, sickness or disease, including death,  
14 resulting therefrom; provided, that the named insured shall  
15 have the right to reject such coverage; and, provided  
16 further, that unless the named insured requests such  
17 coverage in writing, such coverage need not be provided in  
18 or supplemental to a renewal policy where the named insured  
19 had rejected the coverage in connection with the policy  
20 previously issued to him by the same insurer."

21 Section 24. Repealer. Sections 53-418 through 53-420  
22 and 53-428 through 53-458, R.C.M. 1947, are repealed.

23 Section 25. Effective date. This act is effective  
24 January 1, 1976.

-End-

-18-

HB 27

## STATE OF MONTANA

REQUEST NO. 132-75

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 30, 19 75, there is hereby submitted a Fiscal Note for House Bill 27 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

## DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 27 provides motor vehicle liability protection for owners and operators of motor vehicles as a condition of operation of those vehicles and provides an effective date of January 1, 1976.

## ASSUMPTIONS:

1. Insurance companies will provide insured individuals with certificate of insurance forms; such forms will be presented to the County Treasurer as a prerequisite for registration and licensing.
2. Insurance companies will be required to notify the Registrar of Motor Vehicles of insurance cancellations.
3. The Registrar of Motor Vehicles will not be required to maintain files on each of the 700,000 motor vehicles (See conclusion)

## FISCAL IMPACT:

|   | FY76             | FY77            |
|---|------------------|-----------------|
| Estimated increase in expenditure by category |                  |                 |
| Personal Services                             | \$ 21,194        | \$42,388        |
| Operating Expenses                            | 20,150           | 19,950          |
| Capital Outlay                                | <u>4,050</u>     | <u>0</u>        |
| Total estimated increase in expenditure       | <u>\$ 45,394</u> | <u>\$62,338</u> |

## CONCLUSION:

Enactment of House Bill 27 will result in increased expenditures of approximately \$108,000 during the biennium. If the Office of the Registrar of Motor Vehicles is required to maintain a complete file on each registered motor vehicle the costs may be as much as \$200,000 per year.

*Michael G. Bellamy*  
 by *Rosen Wilson*  
 BUDGET DIRECTOR

Office of Budget and Program Planning

Date: \_\_\_\_\_

Approved by Committee  
on Judiciary

HOUSE BILL NO. 27

INTRODUCED BY LESTER, MCKITTRICK, KELLY

A BILL FOR AN ACT ENTITLED: "AN ACT TO BE KNOWN AS THE REVISED MOTOR VEHICLE SAFETY-RESPONSIBILITY ACT PROVIDING FOR MOTOR VEHICLE LIABILITY PROTECTION FOR OWNERS AND OPERATORS OF MOTOR VEHICLES AS A CONDITION OF OPERATION OF THOSE VEHICLES UPON THE HIGHWAYS OR PROPERTY OPEN TO USE BY THE PUBLIC AND GENERALLY REVISING THE PROVISIONS IN TITLE 53, CHAPTER 4, R.C.M. 1947; AMENDING SECTION 40-4403, R.C.M. 1947; REPEALING SECTIONS 53-418 THROUGH 53-420, AND 53-428 THROUGH 53-458, R.C.M. 1947; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. This act shall be known and may be cited as the "Revised Motor Vehicle Safety-Responsibility Act".

Section 2. Definitions. For the purposes of this act, unless the context clearly indicates otherwise:

(1) "Department" means the department of justice created by section 82A-1201, R.C.M. 1947.

(2) "License" means a license, temporary instruction permit, or temporary license issued by the department for the purpose of authorizing a person to operate a motor

vehicle on the public highways.

(3) "Motor vehicle" means a vehicle that must be registered as a condition of operation on the highways of this state in accordance with Title 53, R.C.M. 1947.

(4) "Operator" means the person in actual physical control of a motor vehicle.

(5) "Owner" means a person, other than a lienholder, having the property in or title to a motor vehicle. The term includes a person entitled to the use and possession of a motor vehicle subject to a security interest in another person, but excludes a lessee under a lease not intended as security.

(6) "Registration" means the registration certificates and registration, number, or license plates issued in accordance with the provisions of Title 53, R.C.M. 1947.

(7) "Uninsured motor vehicle" means a motor vehicle for which a motor vehicle liability insurance policy meeting the requirements of the laws of this state and of the commissioner of insurance is not in effect.

(8) "Judgment" means an enforceable judgment that has become final, without appeal, by expiration of the time within which an appeal might have been perfected, or by final affirmation on appeal, rendered by a court of competent jurisdiction of a state or of the United States, upon a cause of action arising out of the ownership,

1 maintenance, or use upon a highway or property open to use  
 2 by the public, of a vehicle of a type subject to the motor  
 3 vehicle registration laws of this state, for damages,  
 4 including damages for care and loss of services, because of  
 5 bodily injury to or death of a person, or for damages  
 6 because of injury to or destruction of property, including  
 7 the loss of use of that property, or upon a cause of action  
 8 on an agreement of settlement for those damages.

9 (9) "Motor vehicle liability policy" means an owner's  
 10 or operator's policy of liability insurance issued by an  
 11 insurance carrier authorized to transact business in this  
 12 state or, in the case of a nonresident owner or operator, by  
 13 an insurance carrier authorized to transact business in his  
 14 state of residence, to or for the benefit of the person  
 15 named therein as insured.

16 Section 3. Motor vehicles must be insured. Except as  
 17 provided by this act:

18 (1) An owner may not permit the operation of an  
 19 uninsured motor vehicle upon a highway or upon property open  
 20 to use by the public.

21 (2) A person may not knowingly drive an uninsured  
 22 vehicle upon a highway or upon property open to use by the  
 23 public.

24 Section 4. Registration without insurance prohibited  
 25 -- revocation required. (1) Except as provided by this act,

1 no person may register or reregister a motor vehicle unless  
 2 that vehicle is covered by a motor vehicle liability  
 3 insurance policy meeting the requirements of the laws of  
 4 this state and the commissioner of insurance.

5 (2) Upon a showing by its records or other sufficient  
 6 evidence that the required insurance has not been provided  
 7 or maintained for a motor vehicle, the department shall  
 8 revoke its registration.

9 Section 5. Exempt vehicles. The following vehicles  
 10 and their drivers are exempt from the provisions of this  
 11 act:

12 (1) a vehicle owned by the United States government,  
 13 any state, or political subdivision;

14 (2) a vehicle for which cash, securities, or a bond  
 15 has been deposited or filed with the department upon such  
 16 terms and conditions providing the same benefits available  
 17 under a required motor vehicle liability insurance policy;

18 (3) a vehicle owned by a self-insurer certified as  
 19 provided in section 10 of this act;

20 (4) an implement of husbandry or special mobile  
 21 equipment that is only incidentally operated on a highway or  
 22 property open to use by the public;

23 (5) a vehicle operated upon a highway only for the  
 24 purpose of crossing such highway from one property to  
 25 another;

1 (6) a commercial vehicle registered or proportionally  
 2 registered in this and any other jurisdiction provided that  
 3 vehicle is covered by a motor vehicle liability insurance  
 4 policy complying with the laws of another jurisdiction in  
 5 which it is registered.

6 Section 6. Vehicles owned by nonresidents. (1) A  
 7 vehicle owned by a nonresident and registered in a state  
 8 requiring motor vehicle liability insurance may not be  
 9 operated upon a highway or upon property open to use by the  
 10 public unless a motor vehicle liability insurance policy  
 11 meeting the requirements of the laws and regulations of that  
 12 state is in effect or unless it otherwise complies with the  
 13 laws of that state concerning compulsory financial  
 14 responsibility. The department shall report a violation of  
 15 this act to the motor vehicle administrator in the state  
 16 where the vehicle is registered.

17 (2) A vehicle owned by a nonresident and registered in  
 18 a state not requiring insurance is exempt from this act.

19 Section 7. Requirements concerning motor vehicle  
 20 liability insurance. (1) An owner's motor vehicle  
 21 liability insurance policy shall:

22 (a) designate by explicit description or by  
 23 appropriate reference all motor vehicles covered by the  
 24 policy; and

25 (b) shall insure the person named therein and any

1 other person, as insured, using any motor vehicle covered by  
 2 the policy with the express or implied permission of the  
 3 named insured, against loss from the liability imposed by  
 4 law for damages arising out of the ownership, maintenance,  
 5 or use of the motor vehicle or motor vehicles within the  
 6 United States of America or the Dominion of Canada, subject  
 7 to minimum limits exclusive of interest and costs, with  
 8 respect to each such motor vehicle, as follows: twenty  
 9 thousand dollars (\$20,000) because of bodily injury to or  
 10 death of one person in any one accident and subject to said  
 11 limit for one person, forty thousand dollars (\$40,000)  
 12 because of bodily injury to or death of two or more persons  
 13 in any one accident, and ten thousand dollars (\$10,000)  
 14 because of injury to or destruction of property of others in  
 15 any one accident.

16 (2) An operator's motor vehicle liability insurance  
 17 policy shall insure the person named as insured therein  
 18 against loss from the liability imposed upon him by law for  
 19 damages arising out of the use by him of any motor vehicle  
 20 not owned by him, within the same territorial limits and  
 21 subject to the same limits of liability as are set forth  
 22 above with respect to an owner's policy of liability  
 23 insurance.

24 (3) A motor vehicle liability insurance policy shall  
 25 state the name and address of the named insured, the

1 coverage afforded by the policy, the premium charged  
 2 therefor, the policy period and the limits of liability, and  
 3 shall contain an agreement or be endorsed that insurance is  
 4 provided thereunder in accordance with the coverage defined  
 5 in this act as respects bodily injury and death or property  
 6 damage, or both, and is subject to all the provisions of  
 7 this act.

8 (4) A motor vehicle liability policy need not insure  
 9 any liability under any workmen's compensation law nor any  
 10 liability on account of bodily injury to or death of an  
 11 employee of the insured while engaged in the employment,  
 12 other than domestic, of the insured, or while engaged in the  
 13 operation, maintenance or repair of a motor vehicle nor any  
 14 liability for damage to property owned by, rented to, in  
 15 charge of or transported by the insured.

16 (5) Each motor vehicle liability policy is subject to  
 17 the following provisions, which need not be contained  
 18 therein:

19 (a) the liability of the insurance carrier with  
 20 respect to the insurance required by this act shall become  
 21 absolute whenever injury or damage covered by the motor  
 22 vehicle liability policy occurs; the policy may not be  
 23 canceled or annulled as to that liability by any agreement  
 24 between the insurance carrier and the insured after the  
 25 occurrence of the injury or damage; no statement made by the

1 insured or on his behalf and no violation of the policy  
 2 shall defeat or void that policy;

3 (b) the satisfaction by the insured of a judgment for  
 4 an injury or damage is not a condition precedent to the  
 5 right or duty of the insurance carrier to make payment on  
 6 account of that injury or damage;

7 (c) the insurance carrier has the right to settle any  
 8 claim covered by the policy, and if a settlement is made in  
 9 good faith, the amount thereof is deductible from the limits  
 10 of liability specified in subsection (1)(b) of this section;

11 (d) the policy, the written application therefor, if  
 12 any, and any rider or endorsement that does not conflict  
 13 with the provisions of the act shall constitute the entire  
 14 contract between the parties.

15 (6) No motor vehicle policy may be subject to  
 16 cancellation, termination, or premium increase, due to  
 17 injury or damage incurred by the insured or operator unless  
 18 the insured or operator be found to have violated a traffic  
 19 law or ordinance of the state or a city; be found negligent  
 20 or contributorily negligent in a court of law, or by the  
 21 arbitration proceedings contained in chapter 201 of Title  
 22 93, R.C.M. 1947; or pays damages to another party whether by  
 23 settlement or otherwise. In no event may a premium be  
 24 increased during the term of the policy unless there is a  
 25 change in exposure.

1 (7) Any policy that grants the coverage required for a  
 2 motor vehicle liability policy may also grant any lawful  
 3 coverage in excess of or in addition to the coverage  
 4 specified for a motor vehicle liability policy and such  
 5 excess or additional coverage shall not be subject to the  
 6 provisions of this act. With respect to a policy that  
 7 grants excess or additional coverage, the term "motor  
 8 vehicle liability policy" shall apply only to that part of  
 9 the coverage required by this section.

10 (8) Any motor vehicle liability policy may provide  
 11 that the insured shall reimburse the insurance carrier for  
 12 any payment the insurance carrier would not have been  
 13 obligated to make under the terms of the policy except for  
 14 the provisions of this act.

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

18 (10) The requirements for a motor vehicle liability  
 19 policy may be fulfilled by the policies of one or more  
 20 insurance carriers which policies together meet such  
 21 requirements.

22 (11) Any binder issued pending the issuance of a motor  
 23 vehicle liability policy fulfills the requirements for such  
 24 a policy.

25 (12) A reduced limits endorsement may not be issued by

1 any company to be attached to any policy issued in  
 2 compliance with this section.

3 Section 8. Certification of insurance. (1) The  
 4 department ~~may~~ SHALL require the owner of a vehicle to  
 5 provide certification of the existence of a vehicle  
 6 insurance policy on a form it prescribes.

7 (2) WHEN A LIABILITY POLICY IS CANCELED THE INSURER  
 8 SHALL NOTIFY THE DEPARTMENT OF THE CANCELLATION OR  
 9 TERMINATION. ANOTHER POLICY MUST BE PURCHASED WITHIN THIRTY  
 10 (30) DAYS OR REGISTRATION SHALL BE REVOKED. IF THE  
 11 INSURANCE COMPANY FAILS TO NOTIFY THE DEPARTMENT, THAT  
 12 COMPANY WILL BE LIABLE FOR ANY DAMAGES INCURRED BY THE  
 13 FORMER POLICYHOLDER.

14 ~~(2)~~ (3) Upon request of an insured person or upon  
 15 request of the department, an insurer shall verify the  
 16 existence of a motor vehicle liability insurance policy on a  
 17 form prescribed by the department.

18 Section 9. Termination of insurance. (1) Within  
 19 thirty (30) days after the cancellation, nonrenewal, or any  
 20 other termination of a motor vehicle liability insurance  
 21 policy, the owner shall return the registration for any  
 22 uninsured vehicle to the department.

23 (2) If, within thirty (30) days after the termination  
 24 of a motor vehicle liability insurance policy, the owner  
 25 insures the vehicle under another policy, he shall certify

1 the existence of that insurance on a form prescribed by the  
2 department.

3 Section 10. Self-insurers. (1) Upon condition of  
4 providing the same benefits available under a required motor  
5 vehicle liability insurance policy, a person in whose name  
6 more than twenty-five (25) motor vehicles are registered may  
7 qualify as a self-insurer by obtaining a certificate of  
8 self-insurance issued by the department as provided in  
9 subsection (2) of this section.

10 (2) The department may, in its discretion, upon an  
11 application for a certificate of self-insurance, issue that  
12 certificate when it is satisfied that the applicant is able  
13 and will continue to be able to pay the same benefits  
14 available under a required motor vehicle insurance policy.  
15 A certificate may be issued authorizing a person to act as a  
16 self-insurer for either property damage or bodily injury, or  
17 both.

18 (3) Upon not less than five (5) days' notice and a  
19 hearing pursuant to that notice, the department may upon  
20 reasonable grounds cancel a certificate of self-insurance.  
21 Failure to pay a valid claim within ~~ninety-(90)-days-of-its~~  
22 ~~submission-or~~ THIRTY (30) DAYS, OR UPON REJECTION OF SUCH  
23 CLAIM a judgment within thirty (30) days after it has become  
24 final, is a reasonable ground for the cancellation of a  
25 certificate of self-insurance.

1 Section 11. When courts to report nonpayment of  
2 judgments. Whenever a person fails within sixty (60) days  
3 to satisfy a judgment, the clerk of the court, or the judge  
4 of a court that has no clerk, in which the judgment is  
5 rendered shall forward to the department a certified copy of  
6 the judgment. The certificates shall be on a form provided  
7 by the department and shall be prima facie evidence of the  
8 facts stated therein.

9 Section 12. Further action with respect to  
10 nonresidents. If the defendant named in a certified copy of  
11 a judgment is a nonresident, the department shall transmit a  
12 certified copy of the judgment to the motor vehicle  
13 administrator in the state where the defendant is a resident.

14 Section 13. Suspension for nonpayment of judgments.  
15 The department, upon receipt of a certified copy of a  
16 judgment, shall suspend the license and registration, and a  
17 nonresident's operating privilege, of any person against  
18 whom the judgment was rendered, except as otherwise provided  
19 in this act.

20 Section 14. Exception in relation to government  
21 vehicles. The provisions of the preceding section do not  
22 apply with respect to a judgment arising out of an accident  
23 caused by the ownership or operation, with permission, of a  
24 vehicle owned or leased to the United States, this state, a  
25 political subdivision of this state, or a municipality.



1 Section 15. Exception when insurer liable or  
 2 insolvent. (1) No license, registration, or nonresident's  
 3 operating privilege of any person may be suspended on  
 4 account of the nonpayment of judgment provisions of this act  
 5 if the department finds that an insurer was obligated to pay  
 6 the judgment upon which the suspension is based, at least to  
 7 the extent and for the amounts required by this act, but has  
 8 not paid that judgment. A finding by the department that an  
 9 insurer is obligated to pay a judgment is not binding upon  
 10 the insurer and has no legal effect whatever except for the  
 11 purposes of administering this section. Whenever in a  
 12 judicial proceeding it is determined by a final judgment,  
 13 decree, or order that an insurer is not obligated to pay a  
 14 judgment, the department, notwithstanding a contrary finding  
 15 it has made, shall suspend the license and registration and  
 16 a nonresident's operating privilege of the person against  
 17 whom the judgment was rendered, except as provided in  
 18 subsection (2) of this section.

19 (2) The department may not suspend a license,  
 20 registration, or nonresident's operating privilege of a  
 21 person if the insurance applicable to that person or the  
 22 vehicle being operated by him was placed with an insurer  
 23 that was authorized to do business in this state and that,  
 24 subsequent to the accident involving the owner or driver and  
 25 prior to the settlement of the claim for that accident, went

1 into liquidation so that no benefit accrued to the owner or  
 2 driver by reason of its having provided that insurance.

3 Section 16. Suspension to continue until judgments  
 4 paid. A license, registration, or nonresident's operating  
 5 privilege suspended on account of nonpayment of judgment  
 6 shall remain suspended and may not be renewed, nor may a  
 7 license or registration be issued in the name of a person  
 8 holding a license or registration under suspension on  
 9 account of nonpayment of judgment. No license or  
 10 registration may be issued in the name of a person who has  
 11 not previously been licensed or has not previously  
 12 registered a vehicle and has not satisfied a judgment under  
 13 this act. When every judgment has been satisfied in  
 14 accordance with this act the restrictions in this section do  
 15 not apply.

16 Section 17. Payments sufficient to satisfy judgments.  
 17 (1) For the purposes of this act a judgment is considered  
 18 satisfied:

19 (a) when twenty thousand dollars (\$20,000) has been  
 20 credited upon any judgment or judgments rendered in excess  
 21 of that amount because of bodily injury to or death of one  
 22 person as the result of any one accident; or

23 (b) when, subject to a limit of twenty thousand  
 24 dollars (\$20,000) because of bodily injury to or death of  
 25 one person, the sum of forty thousand dollars (\$40,000) has

1 been credited upon any judgment or judgments rendered in  
 2 excess of that amount because of bodily injury to or death  
 3 of two (2) or more persons as the result of any one (1)  
 4 accident; or

5 (c) where ten thousand dollars (\$10,000) has been  
 6 credited upon any judgment or judgments rendered in excess  
 7 of that amount because of injury to or the destruction of  
 8 the property of others as the result of any one accident.

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

13 Section 18. Installment payment of judgments --  
 14 default. A judgment debtor, upon due notice to the judgment  
 15 creditor, may apply to the court in which the judgment was  
 16 rendered for the privilege of paying the judgment in  
 17 installments. The court may, in its discretion and without  
 18 prejudice to any other legal remedies the judgment creditor  
 19 may have, then order and fix the amounts and times of  
 20 payment of the installments.

21 (2) The department may not suspend a license,  
 22 registration, or nonresident's operating privilege and shall  
 23 restore any license, registration, or nonresident's  
 24 operating privilege suspended following nonpayment of a  
 25 judgment, when the judgment debtor obtains an order

1 permitting the payment of the judgment in installments, and  
 2 while the payment of those installments is not in default.

3 Section 19. Action if breach of agreement. Should a  
 4 judgment debtor fail to pay an installment specified in an  
 5 order for installment payment of a judgment, the department,  
 6 upon notice of default, shall suspend the license,  
 7 registration, or nonresident's operating privilege of the  
 8 judgment debtor until the judgment is satisfied in  
 9 accordance with this act. After a default, the judgment  
 10 debtor may again apply, after due notice to the judgment  
 11 creditor, to the court that allowed the installment  
 12 payments, within thirty (30) days after the default, for  
 13 resumption of the privilege of payments by installments.  
 14 The court may accept the application only after payment of  
 15 past-due installments by the applicant.

16 Section 20. Assigned risk and claims plans. (1)  
 17 After consultation with insurance companies authorized to  
 18 issue motor vehicle liability insurance policies in this  
 19 state, the commissioner of insurance shall approve  
 20 reasonable assigned risk and claims plans as described in  
 21 this section. Insofar as practicable, the plans shall be  
 22 fair to the insurers and equitable to their policyholders.

23 (2) The commissioner of insurance shall approve a plan  
 24 for the apportionment among the insurance companies of  
 25 applicants for motor vehicle liability insurance policies

1 who are unable to procure those policies through ordinary  
2 methods.

3 (3) The commissioner of insurance shall approve a plan  
4 for the apportionment among the insurance companies of  
5 claims by residents not covered by a motor vehicle liability  
6 insurance policy for damages arising out of the ownership,  
7 maintenance, or use of a vehicle upon the highways or upon  
8 property open to use by the public in this or another state.  
9 Claims by persons who, at the time the claim originated,  
10 were in violation of section 3 of this act, are not eligible  
11 for payment under this subsection and payment of an assigned  
12 claim shall not exceed the limits in a required insurance  
13 policy.

14 (4) When a plan has been approved, all insurance  
15 companies authorized to issue motor vehicle liability  
16 insurance policies in this state shall subscribe to and  
17 participate in that plan.

18 (5) A person aggrieved by any order or act of the  
19 commissioner of insurance pursuant to this section may seek  
20 judicial review in accordance with the Montana  
21 Administrative Procedure Act.

22 Section 21. Act not to prevent other process. Nothing  
23 in this act prevents the plaintiff in any action at law from  
24 relying for relief upon the other processes provided by law.

25 Section 22. Saving clause. This act does not affect

1 rights and duties that matured, penalties that were  
2 incurred, or proceedings that were begun before the  
3 effective date of this act.

4 Section 23. Section 40-4403, R.C.M. 1947, is amended  
5 to read as follows:

6 "40-4403. Motor vehicle liability policies to include  
7 uninsured motorist coverage -- rejection of coverage by  
8 insured. No automobile liability or motor vehicle liability  
9 policy insuring against loss resulting from liability  
10 imposed by law for bodily injury or death suffered by any  
11 person arising out of the ownership, maintenance, or use of  
12 a motor vehicle, shall be delivered or issued for delivery  
13 in this state, with respect to any motor vehicle registered  
14 or principally garaged in this state, unless coverage is  
15 provided therein or supplemental thereto, in limits for  
16 bodily injury or death set forth in ~~section-53-422~~ Title 53,  
17 under provisions filed with and approved by the insurance  
18 commissioner, for the protection of persons insured  
19 thereunder who are legally entitled to recover damages from  
20 owners or operators of uninsured motor vehicles because of  
21 bodily injury, sickness or disease, including death,  
22 resulting therefrom; provided, that the named insured shall  
23 have the right to reject such coverage; and, provided  
24 further, that unless the named insured requests such  
25 coverage in writing, such coverage need not be provided in

1 or supplemental to a renewal policy where the named insured  
2 had rejected the coverage in connection with the policy  
3 previously issued to him by the same insurer."

4 Section 24. Repealer. Sections 53-418 through 53-420  
5 and 53-428 through 53-458, R.C.M. 1947, are repealed.

6 Section 25. Effective date. This act is effective  
7 January 1, 1976.

-End-

## 1 HOUSE BILL NO. 27

2 INTRODUCED BY LESTER, MCKITTRICK, KELLY

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO BE KNOWN AS THE  
5 REVISED MOTOR VEHICLE SAFETY-RESPONSIBILITY ACT PROVIDING  
6 FOR MOTOR VEHICLE LIABILITY PROTECTION FOR OWNERS AND  
7 OPERATORS OF MOTOR VEHICLES AS A CONDITION OF OPERATION OF  
8 THOSE VEHICLES UPON THE HIGHWAYS OR PROPERTY OPEN TO USE BY  
9 THE PUBLIC AND GENERALLY REVISING THE PROVISIONS IN TITLE  
10 53, CHAPTER 4, R.C.M. 1947; AMENDING SECTION 40-4403, R.C.M.  
11 1947; REPEALING SECTIONS 53-418 THROUGH 53-420, AND 53-428  
12 THROUGH 53-458, R.C.M. 1947; AND PROVIDING AN EFFECTIVE  
13 DATE."

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:16 Section 1. Short title. This act shall be known and  
17 may be cited as the "Revised Motor Vehicle  
18 Safety-Responsibility Act".19 Section 2. Definitions. For the purposes of this act,  
20 unless the context clearly indicates otherwise:21 (1) "Department" means the department of justice  
22 created by section 32A-1201, R.C.M. 1947.23 (2) "License" means a license, temporary instruction  
24 permit, or temporary license issued by the department for  
25 the purpose of authorizing a person to operate a motor

1 vehicle on the public highways.

2 (3) "Motor vehicle" means a vehicle that must be  
3 registered as a condition of operation on the highways of  
4 this state in accordance with Title 53, R.C.M. 1947.5 (4) "Operator" means the person in actual physical  
6 control of a motor vehicle.7 (5) "Owner" means a person, other than a lienholder,  
8 having the property in or title to a motor vehicle. The  
9 term includes a person entitled to the use and possession of  
10 a motor vehicle subject to a security interest in another  
11 person, but excludes a lessee under a lease not intended as  
12 security.13 (6) "Registration" means the registration certificates  
14 and registration, number, or license plates issued in  
15 accordance with the provisions of Title 53, R.C.M. 1947.16 (7) "Uninsured motor vehicle" means a motor vehicle  
17 for which a motor vehicle liability insurance policy meeting  
18 the requirements of the laws of this state and of the  
19 commissioner of insurance is not in effect.20 (8) "Judgment" means an enforceable judgment that has  
21 become final, without appeal, by expiration of the time  
22 within which an appeal might have been perfected, or by  
23 final affirmation on appeal, rendered by a court of  
24 competent jurisdiction of a state or of the United States,  
25 upon a cause of action arising out of the ownership,

1 maintenance, or use upon a highway or property open to use  
 2 by the public, of a vehicle of a type subject to the motor  
 3 vehicle registration laws of this state, for damages,  
 4 including damages for care and loss of services, because of  
 5 bodily injury to or death of a person, or for damages  
 6 because of injury to or destruction of property, including  
 7 the loss of use of that property, or upon a cause of action  
 8 on an agreement of settlement for those damages.

9 (9) "Motor vehicle liability policy" means an owner's  
 10 or operator's policy of liability insurance issued by an  
 11 insurance carrier authorized to transact business in this  
 12 state or, in the case of a nonresident owner or operator, by  
 13 an insurance carrier authorized to transact business in his  
 14 state of residence, to or for the benefit of the person  
 15 named therein as insured.

16 Section 3. Motor vehicles must be insured. Except as  
 17 provided by this act:

18 (1) An owner may not permit the operation of an  
 19 uninsured motor vehicle upon a highway or upon property open  
 20 to use by the public.

21 (2) A person may not knowingly drive an uninsured  
 22 vehicle upon a highway or upon property open to use by the  
 23 public.

24 Section 4. Registration without insurance prohibited  
 25 -- revocation required. (1) Except as provided by this act,

1 no person may register or reregister a motor vehicle unless  
 2 HE CAN SHOW PROOF ON A FORM ISSUED BY THE INSURING COMPANY  
 3 AND PRESCRIBED BY THE DEPARTMENT THAT that vehicle is  
 4 covered by a motor vehicle liability insurance policy  
 5 meeting the requirements of the laws of this state and the  
 6 commissioner of insurance.

7 (2) Upon a showing by its records or other sufficient  
 8 evidence that the required insurance has not been provided  
 9 or maintained for a motor vehicle, the department shall  
 10 revoke its registration.

11 Section 5. Exempt vehicles. The following vehicles  
 12 and their drivers are exempt from the provisions of this  
 13 act:

14 (1) a vehicle owned by the United States government,  
 15 any state, or political subdivision;

16 (2) a vehicle for which cash, securities, or a bond  
 17 has been deposited or filed with the department upon such  
 18 terms and conditions providing the same benefits available  
 19 under a required motor vehicle liability insurance policy;

20 (3) a vehicle owned by a self-insurer certified as  
 21 provided in section 10 of this act;

22 (4) an implement of husbandry or special mobile  
 23 equipment that is only incidentally operated on a highway or  
 24 property open to use by the public;

25 (5) a vehicle operated upon a highway only for the

1 purpose of crossing such highway from one property to  
2 another;

3 (6) a commercial vehicle registered or proportionally  
4 registered in this and any other jurisdiction provided that  
5 vehicle is covered by a motor vehicle liability insurance  
6 policy complying with the laws of another jurisdiction in  
7 which it is registered.

8 Section 6. Vehicles owned by nonresidents. (1) A  
9 vehicle owned by a nonresident and registered in a state  
10 requiring motor vehicle liability insurance may not be  
11 operated upon a highway or upon property open to use by the  
12 public unless a motor vehicle liability insurance policy  
13 meeting the requirements of the laws and regulations of that  
14 state is in effect or unless it otherwise complies with the  
15 laws of that state concerning compulsory financial  
16 responsibility. The department shall report a violation of  
17 this act to the motor vehicle administrator in the state  
18 where the vehicle is registered.

19 (2) A vehicle owned by a nonresident and registered in  
20 a state not requiring insurance is exempt from this act.

21 Section 7. Requirements concerning motor vehicle  
22 liability insurance. (1) An owner's motor vehicle  
23 liability insurance policy shall:

24 (a) designate by explicit description or by  
25 appropriate reference all motor vehicles covered by the

1 policy; and

2 (b) shall insure the person named therein and any  
3 other person, as insured, using any motor vehicle covered by  
4 the policy with the express or implied permission of the  
5 named insured, against loss from the liability imposed by  
6 law for damages arising out of the ownership, maintenance,  
7 or use of the motor vehicle or motor vehicles within the  
8 United States of America or the Dominion of Canada, subject  
9 to minimum limits exclusive of interest and costs, with  
10 respect to each such motor vehicle, as follows: twenty  
11 thousand dollars (\$20,000) because of bodily injury to or  
12 death of one person in any one accident and subject to said  
13 limit for one person, forty thousand dollars (\$40,000)  
14 because of bodily injury to or death of two or more persons  
15 in any one accident, and ten thousand dollars (\$10,000)  
16 because of injury to or destruction of property of others in  
17 any one accident.

18 (2) An operator's motor vehicle liability insurance  
19 policy shall insure the person named as insured therein  
20 against loss from the liability imposed upon him by law for  
21 damages arising out of the use by him of any motor vehicle  
22 not owned by him, within the same territorial limits and  
23 subject to the same limits of liability as are set forth  
24 above with respect to an owner's policy of liability  
25 insurance.

1 (3) A motor vehicle liability insurance policy shall  
 2 state the name and address of the named insured, the  
 3 coverage afforded by the policy, the premium charged  
 4 therefor, the policy period and the limits of liability, and  
 5 shall contain an agreement or be endorsed that insurance is  
 6 provided thereunder in accordance with the coverage defined  
 7 in this act as respects bodily injury and death or property  
 8 damage, or both, and is subject to all the provisions of  
 9 this act.

10 (4) A motor vehicle liability policy need not insure  
 11 any liability under any workmen's compensation law nor any  
 12 liability on account of bodily injury to or death of an  
 13 employee of the insured while engaged in the employment,  
 14 other than domestic, of the insured, or while engaged in the  
 15 operation, maintenance or repair of a motor vehicle nor any  
 16 liability for damage to property owned by, rented to, in  
 17 charge of or transported by the insured.

18 (5) Each motor vehicle liability policy is subject to  
 19 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  
 23 absolute whenever injury or damage covered by the motor  
 24 vehicle liability policy occurs; the policy may not be  
 25 canceled or annulled as to that liability by any agreement

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

5 (b) the satisfaction by the insured of a judgment for  
 6 an injury or damage is not a condition precedent to the  
 7 right or duty of the insurance carrier to make payment on  
 8 account of that injury or damage;

9 (c) the insurance carrier has the right to settle any  
 10 claim covered by the policy, and if a settlement is made in  
 11 good faith, the amount thereof is deductible from the limits  
 12 of liability specified in subsection (1)(b) of this section;

13 (d) the policy, the written application therefor, if  
 14 any, and any rider or endorsement that does not conflict  
 15 with the provisions of the act shall constitute the entire  
 16 contract between the parties.

17 (6) No motor vehicle policy may be subject to  
 18 cancellation, termination, or premium increase, due to  
 19 injury or damage incurred by the insured or operator unless  
 20 the insured or operator be found to have violated a traffic  
 21 law or ordinance of the state or a city; be found negligent  
 22 or contributorily negligent in a court of law, or by the  
 23 arbitration proceedings contained in chapter 201 of Title  
 24 93, R.C.M. 1947; or pays damages to another party whether by  
 25 settlement or otherwise. In no event may a premium be



1 increased during the term of the policy unless there is a  
2 change in exposure.

3 (7) Any policy that grants the coverage required for a  
4 motor vehicle liability policy may also grant any lawful  
5 coverage in excess of or in addition to the coverage  
6 specified for a motor vehicle liability policy and such  
7 excess or additional coverage shall not be subject to the  
8 provisions of this act. With respect to a policy that  
9 grants excess or additional coverage, the term "motor  
10 vehicle liability policy" shall apply only to that part of  
11 the coverage required by this section.

12 (8) Any motor vehicle liability policy may provide  
13 that the insured shall reimburse the insurance carrier for  
14 any payment the insurance carrier would not have been  
15 obligated to make under the terms of the policy except for  
16 the provisions of this act.

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

20 (10) The requirements for a motor vehicle liability  
21 policy may be fulfilled by the policies of one or more  
22 insurance carriers which policies together meet such  
23 requirements.

24 (11) Any binder issued pending the issuance of a motor  
25 vehicle liability policy fulfills the requirements for such

1 a policy.

2 (12) A reduced limits endorsement may not be issued by  
3 any company to be attached to any policy issued in  
4 compliance with this section.

5 Section 8. Certification of insurance. (1) The  
6 department may SHALL require the owner of a vehicle to  
7 provide certification of the existence of a vehicle  
8 insurance policy on a form it prescribes.

9 (2) WHEN A LIABILITY POLICY IS CANCELED THE INSURER  
10 SHALL NOTIFY THE DEPARTMENT OF THE CANCELLATION OR  
11 TERMINATION. ANOTHER POLICY MUST BE PURCHASED WITHIN THIRTY  
12 (30) DAYS OR REGISTRATION SHALL BE REVOKED. IF THE  
13 INSURANCE COMPANY FAILS TO NOTIFY THE DEPARTMENT, THAT  
14 COMPANY WILL BE LIABLE FOR ANY DAMAGES INCURRED BY THE  
15 FORMER POLICYHOLDER.

16 ~~(2)~~ (3) Upon request of an insured person or upon  
17 request of the department, an insurer shall verify the  
18 existence of a motor vehicle liability insurance policy on a  
19 form prescribed by the department.

20 Section 9. Termination of insurance. (1) Within  
21 thirty (30) days after the cancellation, nonrenewal, or any  
22 other termination of a motor vehicle liability insurance  
23 policy, the owner shall return the registration for any  
24 uninsured vehicle to the department.

25 (2) If, within thirty (30) days after the termination

1 of a motor vehicle liability insurance policy, the owner  
2 insures the vehicle under another policy, he shall certify  
3 the existence of that insurance on a form prescribed by the  
4 department.

5 Section 10. Self-insurers. (1) Upon condition of  
6 providing the same benefits available under a required motor  
7 vehicle liability insurance policy, a person in whose name  
8 more than twenty-five (25) motor vehicles are registered may  
9 qualify as a self-insurer by obtaining a certificate of  
10 self-insurance issued by the department as provided in  
11 subsection (2) of this section.

12 (2) The department may, in its discretion, upon an  
13 application for a certificate of self-insurance, issue that  
14 certificate when it is satisfied that the applicant is able  
15 and will continue to be able to pay the same benefits  
16 available under a required motor vehicle insurance policy.  
17 A certificate may be issued authorizing a person to act as a  
18 self-insurer for either property damage or bodily injury, or  
19 both.

20 (3) Upon not less than five (5) days' notice and a  
21 hearing pursuant to that notice, the department may upon  
22 reasonable grounds cancel a certificate of self-insurance.  
23 Failure to pay a valid claim within ~~ninety-(90)-days-of-its~~  
24 ~~submission--or~~ THIRTY (30) DAYS, OR UPON REJECTION OF SUCH  
25 CLAIM a judgment within thirty (30) days after it has become

1 final, is a reasonable ground for the cancellation of a  
2 certificate of self-insurance.

3 Section 11. When courts to report nonpayment of  
4 judgments. Whenever a person fails within sixty (60) days  
5 to satisfy a judgment, the clerk of the court, or the judge  
6 of a court that has no clerk, in which the judgment is  
7 rendered shall forward to the department a certified copy of  
8 the judgment. The certificates shall be on a form provided  
9 by the department and shall be prima facie evidence of the  
10 facts stated therein.

11 Section 12. Further action with respect to  
12 nonresidents. If the defendant named in a certified copy of  
13 a judgment is a nonresident, the department shall transmit a  
14 certified copy of the judgment to the motor vehicle  
15 administrator in the state where the defendant is a resident.

16 Section 13. Suspension for nonpayment of judgments.  
17 The department, upon receipt of a certified copy of a  
18 judgment, shall suspend the license and registration, and a  
19 nonresident's operating privilege, of any person against  
20 whom the judgment was rendered, except as otherwise provided  
21 in this act.

22 Section 14. Exception in relation to government  
23 vehicles. The provisions of the preceding section do not  
24 apply with respect to a judgment arising out of an accident  
25 caused by the ownership or operation, with permission, of a

1 vehicle owned or leased to the United States, this state, a  
 2 political subdivision of this state, or a municipality.

3 Section 15. Exception when insurer liable or  
 4 insolvent. (1) No license, registration, or nonresident's  
 5 operating privilege of any person may be suspended on  
 6 account of the nonpayment of judgment provisions of this act  
 7 if the department finds that an insurer was obligated to pay  
 8 the judgment upon which the suspension is based, at least to  
 9 the extent and for the amounts required by this act, but has  
 10 not paid that judgment. A finding by the department that an  
 11 insurer is obligated to pay a judgment is not binding upon  
 12 the insurer and has no legal effect whatever except for the  
 13 purposes of administering this section. Whenever in a  
 14 judicial proceeding it is determined by a final judgment,  
 15 decree, or order that an insurer is not obligated to pay a  
 16 judgment, the department, notwithstanding a contrary finding  
 17 it has made, shall suspend the license and registration and  
 18 a nonresident's operating privilege of the person against  
 19 whom the judgment was rendered, except as provided in  
 20 subsection (2) of this section.

21 (2) The department may not suspend a license,  
 22 registration, or nonresident's operating privilege of a  
 23 person if the insurance applicable to that person or the  
 24 vehicle being operated by him was placed with an insurer  
 25 that was authorized to do business in this state and that,

1 subsequent to the accident involving the owner or driver and  
 2 prior to the settlement of the claim for that accident, went  
 3 into liquidation so that no benefit accrued to the owner or  
 4 driver by reason of its having provided that insurance.

5 Section 16. Suspension to continue until judgments  
 6 paid. A license, registration, or nonresident's operating  
 7 privilege suspended on account of nonpayment of judgment  
 8 shall remain suspended and may not be renewed, nor may a  
 9 license or registration be issued in the name of a person  
 10 holding a license or registration under suspension on  
 11 account of nonpayment of judgment. No license or  
 12 registration may be issued in the name of a person who has  
 13 not previously been licensed or has not previously  
 14 registered a vehicle and has not satisfied a judgment under  
 15 this act. When every judgment has been satisfied in  
 16 accordance with this act the restrictions in this section do  
 17 not apply.

18 Section 17. Payments sufficient to satisfy judgments.  
 19 (1) For the purposes of this act a judgment is considered  
 20 satisfied:

21 (a) when twenty thousand dollars (\$20,000) has been  
 22 credited upon any judgment or judgments rendered in excess  
 23 of that amount because of bodily injury to or death of one  
 24 person as the result of any one accident; or

25 (b) when, subject to a limit of twenty thousand

1 dollars (\$20,000) because of bodily injury to or death of  
 2 one person, the sum of forty thousand dollars (\$40,000) has  
 3 been credited upon any judgment or judgments rendered in  
 4 excess of that amount because of bodily injury to or death  
 5 of two (2) or more persons as the result of any one (1)  
 6 accident; or

7 (c) where ten thousand dollars (\$10,000) has been  
 8 credited upon any judgment or judgments rendered in excess  
 9 of that amount because of injury to or the destruction of  
 10 the property of others as the result of any one accident.

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

15 Section 18. Installment payment of judgments --  
 16 default. A judgment debtor, upon due notice to the judgment  
 17 creditor, may apply to the court in which the judgment was  
 18 rendered for the privilege of paying the judgment in  
 19 installments. The court may, in its discretion and without  
 20 prejudice to any other legal remedies the judgment creditor  
 21 may have, then order and fix the amounts and times of  
 22 payment of the installments.

23 (2) The department may not suspend a license,  
 24 registration, or nonresident's operating privilege and shall  
 25 restore any license, registration, or nonresident's

1 operating privilege suspended following nonpayment of a  
 2 judgment, when the judgment debtor obtains an order  
 3 permitting the payment of the judgment in installments, and  
 4 while the payment of those installments is not in default.

5 Section 19. Action if breach of agreement. Should a  
 6 judgment debtor fail to pay an installment specified in an  
 7 order for installment payment of a judgment, the department,  
 8 upon notice of default, shall suspend the license,  
 9 registration, or nonresident's operating privilege of the  
 10 judgment debtor until the judgment is satisfied in  
 11 accordance with this act. After a default, the judgment  
 12 debtor may again apply, after due notice to the judgment  
 13 creditor, to the court that allowed the installment  
 14 payments, within thirty (30) days after the default, for  
 15 resumption of the privilege of payments by installments.  
 16 The court may accept the application only after payment of  
 17 past-due installments by the applicant.

18 Section 20. Assigned risk and claims plans. (1)  
 19 After consultation with insurance companies authorized to  
 20 issue motor vehicle liability insurance policies in this  
 21 state, the commissioner of insurance shall approve  
 22 reasonable assigned risk and claims plans as described in  
 23 this section. Insofar as practicable, the plans shall be  
 24 fair to the insurers and equitable to their policyholders.

25 (2) The commissioner of insurance shall approve a plan

1 for the apportionment among the insurance companies of  
 2 applicants for motor vehicle liability insurance policies  
 3 who are unable to procure those policies through ordinary  
 4 methods.

5 (3) The commissioner of insurance shall approve a plan  
 6 for the apportionment among the insurance companies of  
 7 claims by residents not covered by a motor vehicle liability  
 8 insurance policy for damages arising out of the ownership,  
 9 maintenance, or use of a vehicle upon the highways or upon  
 10 property open to use by the public in this or another state.  
 11 Claims by persons who, at the time the claim originated,  
 12 were in violation of section 3 of this act, are not eligible  
 13 for payment under this subsection and payment of an assigned  
 14 claim shall not exceed the limits in a required insurance  
 15 policy.

16 (4) When a plan has been approved, all insurance  
 17 companies authorized to issue motor vehicle liability  
 18 insurance policies in this state shall subscribe to and  
 19 participate in that plan.

20 (5) A person aggrieved by any order or act of the  
 21 commissioner of insurance pursuant to this section may seek  
 22 judicial review in accordance with the Montana  
 23 Administrative Procedure Act.

24 Section 21. Act not to prevent other process. Nothing  
 25 in this act prevents the plaintiff in any action at law from

1 relying for relief upon the other processes provided by law.

2 Section 22. Saving clause. This act does not affect  
 3 rights and duties that matured, penalties that were  
 4 incurred, or proceedings that were begun before the  
 5 effective date of this act.

6 Section 23. Section 40-4403, R.C.M. 1947, is amended  
 7 to read as follows:

8 "40-4403. Motor vehicle liability policies to include  
 9 uninsured motorist coverage -- rejection of coverage by  
 10 insured. No automobile liability or motor vehicle liability  
 11 policy insuring against loss resulting from liability  
 12 imposed by law for bodily injury or death suffered by any  
 13 person arising out of the ownership, maintenance, or use of  
 14 a motor vehicle, shall be delivered or issued for delivery  
 15 in this state, with respect to any motor vehicle registered  
 16 or principally garaged in this state, unless coverage is  
 17 provided therein or supplemental thereto, in limits for  
 18 bodily injury or death set forth in ~~section 53-422~~ Title 53,  
 19 under provisions filed with and approved by the insurance  
 20 commissioner, for the protection of persons insured  
 21 thereunder who are legally entitled to recover damages from  
 22 owners or operators of uninsured motor vehicles because of  
 23 bodily injury, sickness or disease, including death,  
 24 resulting therefrom; provided, that the named insured shall  
 25 have the right to reject such coverage; and, provided

1 further, that unless the named insured requests such  
2 coverage in writing, such coverage need not be provided in  
3 or supplemental to a renewal policy where the named insured  
4 had rejected the coverage in connection with the policy  
5 previously issued to him by the same insurer."

6 Section 24. Repealer. Sections 53-418 through 53-420  
7 and 53-428 through 53-458, R.C.M. 1947, are repealed.

8 Section 25. Effective date. This act is effective  
9 January 1, 1976.

-End-

March 25, 1975

SENATE COMMITTEE ON JUDICIARY  
AMENDMENTS TO HOUSE BILL NO. 27

That House Bill No. 27, third reading, be amended as follows:

1. Amend page 4, section 4, lines 20 through 21.  
Following: line 19  
Strike: lines 20 through 21 in their entirety  
Re-number: All subsequent subsections
2. Amend page 6, section 7, line 13.  
Following: "person,"  
Insert: "and"
3. Amend page 6, section 7, lines 15 through 17.  
Following: "accident"  
Strike: lines 15 through 17 in their entirety  
Insert: "."
4. Amend page 10, section 8, line 5.  
Following: "insurance"  
Insert: "--highway patrol may obtain registration and license plates"
5. Amend page 10, section 8, line 14 and 15.  
Following: "DAMAGES"  
Strike: "INCURRED BY THE FORMER POLICYHOLDER"  
Insert: "that would otherwise have been covered by the policy"
6. Amend page 10, section 8, line 19  
Following: line 19.  
Insert: "(4) The Montana highway patrol may obtain physical possession of motor vehicle registration certificates and motor vehicle license plates for any motor vehicle not insured hereunder."
7. Amend page 11, section 10, lines 4 through line 2 on page 12.  
Following: line 4  
Strike: Section 10 in its entirety  
Re-number: All subsequent sections
8. Amend page 14, section 16, lines 4 through line 17 on page 16.  
Following: line 4  
Strike: Section 16 through 19 in their entirety  
Re-number: All subsequent sections

HOUSE BILL NO. 27

INTRODUCED BY LESTER, MCKITTRICK, KELLY

A BILL FOR AN ACT ENTITLED: "AN ACT TO BE KNOWN AS THE REVISED MOTOR VEHICLE SAFETY-RESPONSIBILITY ACT PROVIDING FOR MOTOR VEHICLE LIABILITY PROTECTION FOR OWNERS AND OPERATORS OF MOTOR VEHICLES AS A CONDITION OF OPERATION OF THOSE VEHICLES UPON THE HIGHWAYS OR PROPERTY OPEN TO USE BY THE PUBLIC AND GENERALLY REVISING THE PROVISIONS IN TITLE 53, CHAPTER 4, R.C.M. 1947; AMENDING SECTION 40-4403, R.C.M. 1947; REPEALING SECTIONS 53-418 THROUGH 53-420, AND 53-428 THROUGH 53-458, R.C.M. 1947; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. This act shall be known and may be cited as the "Revised Motor Vehicle Safety-Responsibility Act".

Section 2. Definitions. For the purposes of this act, unless the context clearly indicates otherwise:

(1) "Department" means the department of justice created by section 82A-1201, R.C.M. 1947.

(2) "License" means a license, temporary instruction permit, or temporary license issued by the department for the purpose of authorizing a person to operate a motor

vehicle on the public highways.

(3) "Motor vehicle" means a vehicle that must be registered as a condition of operation on the highways of this state in accordance with Title 53, R.C.M. 1947.

(4) "Operator" means the person in actual physical control of a motor vehicle.

(5) "Owner" means a person, other than a lienholder, having the property in or title to a motor vehicle. The term includes a person entitled to the use and possession of a motor vehicle subject to a security interest in another person, but excludes a lessee under a lease not intended as security.

(6) "Registration" means the registration certificates and registration, number, or license plates issued in accordance with the provisions of Title 53, R.C.M. 1947.

(7) "Uninsured motor vehicle" means a motor vehicle for which a motor vehicle liability insurance policy meeting the requirements of the laws of this state and of the commissioner of insurance is not in effect.

(8) "Judgment" means an enforceable judgment that has become final, without appeal, by expiration of the time within which an appeal might have been perfected, or by final affirmation on appeal, rendered by a court of competent jurisdiction of a state or of the United States, upon a cause of action arising out of the ownership,



1 maintenance, or use upon a highway or property open to use  
 2 by the public, of a vehicle of a type subject to the motor  
 3 vehicle registration laws of this state, for damages,  
 4 including damages for care and loss of services, because of  
 5 bodily injury to or death of a person, or for damages  
 6 because of injury to or destruction of property, including  
 7 the loss of use of that property, or upon a cause of action  
 8 on an agreement of settlement for those damages.

9 (9) "Motor vehicle liability policy" means an owner's  
 10 or operator's policy of liability insurance issued by an  
 11 insurance carrier authorized to transact business in this  
 12 state or, in the case of a nonresident owner or operator, by  
 13 an insurance carrier authorized to transact business in his  
 14 state of residence, to or for the benefit of the person  
 15 named therein as insured.

16 Section 3. Motor vehicles must be insured. Except as  
 17 provided by this act:

18 (1) An owner may not permit the operation of an  
 19 uninsured motor vehicle upon a highway or upon property open  
 20 to use by the public.

21 (2) A person may not knowingly drive an uninsured  
 22 vehicle upon a highway or upon property open to use by the  
 23 public.

24 Section 4. Registration without insurance prohibited  
 25 -- revocation required. (1) Except as provided by this act,

1 no person may register or reregister a motor vehicle unless  
 2 HE CAN SHOW PROOF ON A FORM ISSUED BY THE INSURING COMPANY  
 3 AND PRESCRIBED BY THE DEPARTMENT THAT that vehicle is  
 4 covered by a motor vehicle liability insurance policy  
 5 meeting the requirements of the laws of this state and the  
 6 commissioner of insurance.

7 (2) Upon a showing by its records or other sufficient  
 8 evidence that the required insurance has not been provided  
 9 or maintained for a motor vehicle, the department shall  
 10 revoke its registration.

11 Section 5. Exempt vehicles. The following vehicles  
 12 and their drivers are exempt from the provisions of this  
 13 act:

14 (1) a vehicle owned by the United States government,  
 15 any state, or political subdivision;

16 (2) a vehicle for which cash, securities, or a bond  
 17 has been deposited or filed with the department upon such  
 18 terms and conditions providing the same benefits available  
 19 under a required motor vehicle liability insurance policy;

20 ~~(3) a vehicle owned by a self-insurer certified as~~  
 21 ~~provided in section 10 of this act;~~

22 ~~(4)~~ (3) an implement of husbandry or special mobile  
 23 equipment that is only incidentally operated on a highway or  
 24 property open to use by the public;

25 ~~(5)~~ (4) a vehicle operated upon a highway only for the

1 purpose of crossing such highway from one property to  
2 another;

3 ~~(6)~~ (5) a commercial vehicle registered or  
4 proportionally registered in this and any other jurisdiction  
5 provided that vehicle is covered by a motor vehicle  
6 liability insurance policy complying with the laws of  
7 another jurisdiction in which it is registered.

8 Section 6. Vehicles owned by nonresidents. (1) A  
9 vehicle owned by a nonresident and registered in a state  
10 requiring motor vehicle liability insurance may not be  
11 operated upon a highway or upon property open to use by the  
12 public unless a motor vehicle liability insurance policy  
13 meeting the requirements of the laws and regulations of that  
14 state is in effect or unless it otherwise complies with the  
15 laws of that state concerning compulsory financial  
16 responsibility. The department shall report a violation of  
17 this act to the motor vehicle administrator in the state  
18 where the vehicle is registered.

19 (2) A vehicle owned by a nonresident and registered in  
20 a state not requiring insurance is exempt from this act.

21 Section 7. Requirements concerning motor vehicle  
22 liability insurance. (1) An owner's motor vehicle  
23 liability insurance policy shall:

24 (a) designate by explicit description or by  
25 appropriate reference all motor vehicles covered by the

1 policy; and

2 (b) shall insure the person named therein and any  
3 other person, as insured, using any motor vehicle covered by  
4 the policy with the express or implied permission of the  
5 named insured, against loss from the liability imposed by  
6 law for damages arising out of the ownership, maintenance,  
7 or use of the motor vehicle or motor vehicles within the  
8 United States of America or the Dominion of Canada, subject  
9 to minimum limits exclusive of interest and costs, with  
10 respect to each such motor vehicle, as follows: twenty  
11 thousand dollars (\$20,000) because of bodily injury to or  
12 death of one person in any one accident and subject to said  
13 limit for one person, AND forty thousand dollars (\$40,000)  
14 because of bodily injury to or death of two or more persons  
15 in any one accident, ~~and ten thousand dollars (\$10,000)~~  
16 ~~because of injury to or destruction of property of others in~~  
17 ~~any one accident.~~

18 (2) An operator's motor vehicle liability insurance  
19 policy shall insure the person named as insured therein  
20 against loss from the liability imposed upon him by law for  
21 damages arising out of the use by him of any motor vehicle  
22 not owned by him, within the same territorial limits and  
23 subject to the same limits of liability as are set forth  
24 above with respect to an owner's policy of liability  
25 insurance.

1 (3) A motor vehicle liability insurance policy shall  
 2 state the name and address of the named insured, the  
 3 coverage afforded by the policy, the premium charged  
 4 therefor, the policy period and the limits of liability, and  
 5 shall contain an agreement or be endorsed that insurance is  
 6 provided thereunder in accordance with the coverage defined  
 7 in this act as respects bodily injury and death or property  
 8 damage, or both, and is subject to all the provisions of  
 9 this act.

10 (4) A motor vehicle liability policy need not insure  
 11 any liability under any workmen's compensation law nor any  
 12 liability on account of bodily injury to or death of an  
 13 employee of the insured while engaged in the employment,  
 14 other than domestic, of the insured, or while engaged in the  
 15 operation, maintenance or repair of a motor vehicle nor any  
 16 liability for damage to property owned by, rented to, in  
 17 charge of or transported by the insured.

18 (5) Each motor vehicle liability policy is subject to  
 19 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  
 23 absolute whenever injury or damage covered by the motor  
 24 vehicle liability policy occurs; the policy may not be  
 25 canceled or annulled as to that liability by any agreement

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

5 (b) the satisfaction by the insured of a judgment for  
 6 an injury or damage is not a condition precedent to the  
 7 right or duty of the insurance carrier to make payment on  
 8 account of that injury or damage;

9 (c) the insurance carrier has the right to settle any  
 10 claim covered by the policy, and if a settlement is made in  
 11 good faith, the amount thereof is deductible from the limits  
 12 of liability specified in subsection (1)(b) of this section;

13 (d) the policy, the written application therefor, if  
 14 any, and any rider or endorsement that does not conflict  
 15 with the provisions of the act shall constitute the entire  
 16 contract between the parties.

17 (6) No motor vehicle policy may be subject to  
 18 cancellation, termination, or premium increase, due to  
 19 injury or damage incurred by the insured or operator unless  
 20 the insured or operator be found to have violated a traffic  
 21 law or ordinance of the state or a city; be found negligent  
 22 or contributorily negligent in a court of law, or by the  
 23 arbitration proceedings contained in chapter 201 of Title  
 24 93, R.C.M. 1947; or pays damages to another party whether by  
 25 settlement or otherwise. In no event may a premium be

1 increased during the term of the policy unless there is a  
2 change in exposure.

3 (7) Any policy that grants the coverage required for a  
4 motor vehicle liability policy may also grant any lawful  
5 coverage in excess of or in addition to the coverage  
6 specified for a motor vehicle liability policy and such  
7 excess or additional coverage shall not be subject to the  
8 provisions of this act. With respect to a policy that  
9 grants excess or additional coverage, the term "motor  
10 vehicle liability policy" shall apply only to that part of  
11 the coverage required by this section.

12 (8) Any motor vehicle liability policy may provide  
13 that the insured shall reimburse the insurance carrier for  
14 any payment the insurance carrier would not have been  
15 obligated to make under the terms of the policy except for  
16 the provisions of this act.

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

20 (10) The requirements for a motor vehicle liability  
21 policy may be fulfilled by the policies of one or more  
22 insurance carriers which policies together meet such  
23 requirements.

24 (11) Any binder issued pending the issuance of a motor  
25 vehicle liability policy fulfills the requirements for such

1 a policy.

2 (12) A reduced limits endorsement may not be issued by  
3 any company to be attached to any policy issued in  
4 compliance with this section.

5 Section 8. Certification of insurance -- HIGHWAY  
6 PATROL MAY OBTAIN REGISTRATION AND LICENSE PLATES. (1) The  
7 department ~~may~~ SHALL require the owner of a vehicle to  
8 provide certification of the existence of a vehicle  
9 insurance policy on a form it prescribes.

10 (2) WHEN A LIABILITY POLICY IS CANCELED THE INSURER  
11 SHALL NOTIFY THE DEPARTMENT OF THE CANCELLATION OR  
12 TERMINATION. ANOTHER POLICY MUST BE PURCHASED WITHIN THIRTY  
13 (30) DAYS OR REGISTRATION SHALL BE REVOKED. IF THE  
14 INSURANCE COMPANY FAILS TO NOTIFY THE DEPARTMENT, THAT  
15 COMPANY WILL BE LIABLE FOR ANY DAMAGES INCURRED--BY--THE  
16 FORMER--POLICYHOLDER THAT WOULD OTHERWISE HAVE BEEN COVERED  
17 BY THE POLICY.

18 ~~(2)~~ (3) Upon request of an insured person or upon  
19 request of the department, an insurer shall verify the  
20 existence of a motor vehicle liability insurance policy on a  
21 form prescribed by the department.

22 (4) THE MONTANA HIGHWAY PATROL MAY OBTAIN PHYSICAL  
23 POSSESSION OF MOTOR VEHICLE REGISTRATION CERTIFICATES AND  
24 MOTOR VEHICLE LICENSE PLATES FOR ANY MOTOR VEHICLE NOT  
25 INSURED HEREUNDER.

1 Section 9. Termination of insurance. (1) Within  
 2 thirty (30) days after the cancellation, nonrenewal, or any  
 3 other termination of a motor vehicle liability insurance  
 4 policy, the owner shall return the registration for any  
 5 uninsured vehicle to the department.

6 (2) If, within thirty (30) days after the termination  
 7 of a motor vehicle liability insurance policy, the owner  
 8 insures the vehicle under another policy, he shall certify  
 9 the existence of that insurance on a form prescribed by the  
 10 department.

11 ~~Section 10. Self-insurers. (1) Upon condition of~~  
 12 ~~providing the same benefits available under a required motor~~  
 13 ~~vehicle liability insurance policy, a person in whose name~~  
 14 ~~more than twenty-five (25) motor vehicles are registered may~~  
 15 ~~qualify as a self-insurer by obtaining a certificate of~~  
 16 ~~self-insurance issued by the department as provided in~~  
 17 ~~subsection (2) of this section.~~

18 ~~(2) The department may, in its discretion, upon an~~  
 19 ~~application for a certificate of self-insurance, issue that~~  
 20 ~~certificate when it is satisfied that the applicant is able~~  
 21 ~~and will continue to be able to pay the same benefits~~  
 22 ~~available under a required motor vehicle insurance policy.~~  
 23 ~~A certificate may be issued authorizing a person to act as a~~  
 24 ~~self-insurer for either property damage or bodily injury, or~~  
 25 ~~both.~~

1 ~~(3) Upon not less than five (5) days' notice and a~~  
 2 ~~hearing pursuant to that notice, the department may upon~~  
 3 ~~reasonable grounds cancel a certificate of self-insurance.~~  
 4 ~~Failure to pay a valid claim within ninety (90) days of its~~  
 5 ~~submission or THIRTY (30) DAYS, OR UPON REJECTION OF SUCH~~  
 6 ~~CLAIM a judgment within thirty (30) days after it has become~~  
 7 ~~finaly is a reasonable ground for the cancellation of a~~  
 8 ~~certificate of self-insurance.~~

9 Section 10. When courts to report nonpayment of  
 10 judgments. Whenever a person fails within sixty (60) days  
 11 to satisfy a judgment, the clerk of the court, or the judge  
 12 of a court that has no clerk, in which the judgment is  
 13 rendered shall forward to the department a certified copy of  
 14 the judgment. The certificates shall be on a form provided  
 15 by the department and shall be prima facie evidence of the  
 16 facts stated therein.

17 Section 11. Further action with respect to  
 18 nonresidents. If the defendant named in a certified copy of  
 19 a judgment is a nonresident, the department shall transmit a  
 20 certified copy of the judgment to the motor vehicle  
 21 administrator in the state where the defendant is a resident.

22 Section 12. Suspension for nonpayment of judgments.  
 23 The department, upon receipt of a certified copy of a  
 24 judgment, shall suspend the license and registration, and a  
 25 nonresident's operating privilege, of any person against

1 whom the judgment was rendered, except as otherwise provided  
 2 in this act.

3 Section 13. Exception in relation to government  
 4 vehicles. The provisions of the preceding section do not  
 5 apply with respect to a judgment arising out of an accident  
 6 caused by the ownership or operation, with permission, of a  
 7 vehicle owned or leased to the United States, this state, a  
 8 political subdivision of this state, or a municipality.

9 Section 14. Exception when insurer liable or  
 10 insolvent. (1) No license, registration, or nonresident's  
 11 operating privilege of any person may be suspended on  
 12 account of the nonpayment of judgment provisions of this act  
 13 if the department finds that an insurer was obligated to pay  
 14 the judgment upon which the suspension is based, at least to  
 15 the extent and for the amounts required by this act, but has  
 16 not paid that judgment. A finding by the department that an  
 17 insurer is obligated to pay a judgment is not binding upon  
 18 the insurer and has no legal effect whatever except for the  
 19 purposes of administering this section. Whenever in a  
 20 judicial proceeding it is determined by a final judgment,  
 21 decree, or order that an insurer is not obligated to pay a  
 22 judgment, the department, notwithstanding a contrary finding  
 23 it has made, shall suspend the license and registration and  
 24 a nonresident's operating privilege of the person against  
 25 whom the judgment was rendered, except as provided in

1 subsection (2) of this section.

2 (2) The department may not suspend a license,  
 3 registration, or nonresident's operating privilege of a  
 4 person if the insurance applicable to that person or the  
 5 vehicle being operated by him was placed with an insurer  
 6 that was authorized to do business in this state and that,  
 7 subsequent to the accident involving the owner or driver and  
 8 prior to the settlement of the claim for that accident, went  
 9 into liquidation so that no benefit accrued to the owner or  
 10 driver by reason of its having provided that insurance.

11 ~~Section 16. Suspension to continue until judgments~~  
 12 ~~paid. A license, registration, or nonresident's operating~~  
 13 ~~privilege suspended on account of nonpayment of judgment~~  
 14 ~~shall remain suspended and may not be renewed, nor may a~~  
 15 ~~license or registration be issued in the name of a person~~  
 16 ~~holding a license or registration under suspension on~~  
 17 ~~account of nonpayment of judgment. No license or~~  
 18 ~~registration may be issued in the name of a person who has~~  
 19 ~~not previously been licensed or has not previously~~  
 20 ~~registered a vehicle and has not satisfied a judgment under~~  
 21 ~~this act. When every judgment has been satisfied in~~  
 22 ~~accordance with this act the restrictions in this section do~~  
 23 ~~not apply.~~

24 ~~Section 17. Payments sufficient to satisfy judgments.~~  
 25 ~~(1) For the purposes of this act a judgment is considered~~

1 satisfied;

2 (a)--when--twenty--thousand--dollars--(\$20,000)--has--been

3 credited--upon--any--judgment--or--judgments--rendered--in--excess

4 of--that--amount--because--of--bodily--injury--to--or--death--of--one

5 person--as--the--result--of--any--one--accident;--or

6 (b)--when--subject--to--a--limit--of--twenty--thousand

7 dollars--(\$20,000)--because--of--bodily--injury--to--or--death--of

8 one--person;--the--sum--of--forty--thousand--dollars--(\$40,000)--has

9 been--credited--upon--any--judgment--or--judgments--rendered--in

10 excess--of--that--amount--because--of--bodily--injury--to--or--death

11 of--two--(2)--or--more--persons--as--the--result--of--any--one--(1)

12 accident;--or

13 (c)--where--ten--thousand--dollars--(\$10,000)--has--been

14 credited--upon--any--judgment--or--judgments--rendered--in--excess

15 of--that--amount--because--of--injury--to--or--the--destruction--of

16 the--property--of--others--as--the--result--of--any--one--accident;

17 (2)--Payments--made--in--settlements--of--any--claims--because

18 of--bodily--injury;--death;--or--property--damage--arising--from--a

19 motor--vehicle--accident--shall--be--credited--in--reduction--of--the

20 amounts--provided--for--in--this--section;

21 Section--18,--Installment--payment--of--judgments-----

22 default;--A--judgment--debtor;--upon--due--notice--to--the--judgment

23 creditor;--may--apply--to--the--court--in--which--the--judgment--was

24 rendered--for--the--privilege--of--paying--the--judgment--in

25 installments;--The--court--may;--in--its--discretion--and--without

1 prejudice--to--any--other--legal--remedies--the--judgment--creditor

2 may--have;--then--order--and--fix--the--amounts--and--times--of

3 payment--of--the--installments;

4 (2)--The--department--may--not--suspend--a--license;

5 registration;--or--nonresident's--operating--privilege--and--shall

6 restore--any--license;--registration;--or--nonresident's

7 operating--privilege--suspended--following--nonpayment--of--a

8 judgment;--when--the--judgment--debtor--obtains--an--order

9 permitting--the--payment--of--the--judgment--in--installments;--and

10 while--the--payment--of--those--installments--is--not--in--default;

11 Section--19,--Action--if--breach--of--agreement;--Should--a

12 judgment--debtor--fail--to--pay--an--installment--specified--in--an

13 order--for--installment--payment--of--a--judgment;--the--department;

14 upon--notice--of--default;--shall--suspend--the--license;

15 registration;--or--nonresident's--operating--privilege--of--the

16 judgment--debtor--until--the--judgment--is--satisfied--in

17 accordance--with--this--act;--After--a--default;--the--judgment

18 debtor--may--again--apply;--after--due--notice--to--the--judgment

19 creditor;--to--the--court--that--allowed--the--installment

20 payments;--within--thirty--(30)--days--after--the--default;--for

21 resumption--of--the--privilege--of--payments--by--installments;

22 The--court--may--accept--the--application--only--after--payment--of

23 past--due--installments--by--the--applicant;

24 Section 15. Assigned risk and claims plans. (1)

25 After consultation with insurance companies authorized to

1 issue motor vehicle liability insurance policies in this  
 2 state, the commissioner of insurance shall approve  
 3 reasonable assigned risk and claims plans as described in  
 4 this section. Insofar as practicable, the plans shall be  
 5 fair to the insurers and equitable to their policyholders.

6 (2) The commissioner of insurance shall approve a plan  
 7 for the apportionment among the insurance companies of  
 8 applicants for motor vehicle liability insurance policies  
 9 who are unable to procure those policies through ordinary  
 10 methods.

11 (3) The commissioner of insurance shall approve a plan  
 12 for the apportionment among the insurance companies of  
 13 claims by residents not covered by a motor vehicle liability  
 14 insurance policy for damages arising out of the ownership,  
 15 maintenance, or use of a vehicle upon the highways or upon  
 16 property open to use by the public in this or another state.  
 17 Claims by persons who, at the time the claim originated,  
 18 were in violation of section 3 of this act, are not eligible  
 19 for payment under this subsection and payment of an assigned  
 20 claim shall not exceed the limits in a required insurance  
 21 policy.

22 (4) When a plan has been approved, all insurance  
 23 companies authorized to issue motor vehicle liability  
 24 insurance policies in this state shall subscribe to and  
 25 participate in that plan.

1 (5) A person aggrieved by any order or act of the  
 2 commissioner of insurance pursuant to this section may seek  
 3 judicial review in accordance with the Montana  
 4 Administrative Procedure Act.

5 Section 16. Act not to prevent other process. Nothing  
 6 in this act prevents the plaintiff in any action at law from  
 7 relying for relief upon the other processes provided by law.

8 Section 17. Saving clause. This act does not affect  
 9 rights and duties that matured, penalties that were  
 10 incurred, or proceedings that were begun before the  
 11 effective date of this act.

12 Section 18. Section 40-4403, R.C.M. 1947, is amended  
 13 to read as follows:

14 "40-4403. Motor vehicle liability policies to include  
 15 uninsured motorist coverage -- rejection of coverage by  
 16 insured. No automobile liability or motor vehicle liability  
 17 policy insuring against loss resulting from liability  
 18 imposed by law for bodily injury or death suffered by any  
 19 person arising out of the ownership, maintenance, or use of  
 20 a motor vehicle, shall be delivered or issued for delivery  
 21 in this state, with respect to any motor vehicle registered  
 22 or principally garaged in this state, unless coverage is  
 23 provided therein or supplemental thereto, in limits for  
 24 bodily injury or death set forth in ~~section-53-422~~ Title 53,  
 25 under provisions filed with and approved by the insurance



1 commissioner, for the protection of persons insured  
2 thereunder who are legally entitled to recover damages from  
3 owners or operators of uninsured motor vehicles because of  
4 bodily injury, sickness or disease, including death,  
5 resulting therefrom; provided, that the named insured shall  
6 have the right to reject such coverage; and, provided  
7 further, that unless the named insured requests such  
8 coverage in writing, such coverage need not be provided in  
9 or supplemental to a renewal policy where the named insured  
10 had rejected the coverage in connection with the policy  
11 previously issued to him by the same insurer."

12 Section 19. Repealer. Sections 53-418 through 53-420  
13 and 53-428 through 53-458, R.C.M. 1947, are repealed.

14 Section 20. Effective date. This act is effective  
15 January 1, 1976.

-End-