



OKLAHOMA INSURANCE DEPARTMENT
STATE OF OKLAHOMA

BULLETIN NO. PC 2006-08

**TO: ALL PROPERTY & CASUALTY INSURERS LICENSED IN THE STATE OF OKLAHOMA
ALL RATING AND ADVISORY ORGANIZATIONS
ALL JOINT UNDERWRITING ASSOCIATIONS
Attention: State Filing Division**

**RE: PRIVATE PASSENGER AUTO INSURANCE - HB 3115 - PROOF OF SECURITY
AFTER A LICENSE AND REGISTRATION SUSPENSION**

**FROM: OKLAHOMA INSURANCE DEPARTMENT AND THE OKLAHOMA DEPARTMENT OF
PUBLIC SAFETY**

DATE: NOVEMBER 1, 2006

CONTENT OF THIS BULLETIN

The passage of HB 3115 has amended [47 O.S. 7-605](#) (A2) to read as follows: "The suspension shall remain in effect until payment is made of the fees provided for in [Section 6-212](#) of this title and proof of security is furnished to the Department of Public Safety which complies with the requirements of the Compulsory Insurance Law; provided, **for the purposes of this section, proof of security shall not mean a binder policy but shall mean an owner's policy or an operator's policy, as defined in [Section 7-600](#) of this title; provided further, a suspension for failure to appear shall remain in effect until proof of appearance is received by the Department from the reporting court.** Suspension under this section shall be effective when notice thereof is given pursuant to [Section 2-116](#) of this title."

WHAT HAS CHANGED?

The Department of Public Safety requires proof of security (proof of insurance) on an owner's policy or an operator's policy to release a suspension caused by failure to carry a security verification form. ***In other words, the Department will only accept a security verification form containing an insurance policy number to release a suspension caused by failure to carry a security verification form. A security verification form containing a binder number will not be accepted for the release of a suspension caused by failure to carry a security verification form.***

EFFECTIVE DATE OF THIS CHANGE

This process will begin on December 1, 2006.

JOHN DOE EXAMPLE

John Doe was pulled over by a police officer and was unable to provide a security verification form (proof of insurance) because he was uninsured. Because of this, John Doe's license was suspended. In order to release this suspension, proof of security on an **owner's policy** or an **operator's policy** must be surrendered to the Department of Public Safety. ***The Department of Public Safety will no longer accept binder policies.***

THE FOLLOWING IS INFORMATIONAL ONLY. NO STATUTORIAL CHANGES TO THE FOLLOWING SECTIONS OF TITLE 47:

WHAT IS REQUIRED OF AN OWNER'S POLICY OR AN OPERATOR'S POLICY?

Pursuant to [47 O.S. 7-600](#), an owner's policy of liability insurance:

- 1) shall designate by explicit description or by appropriate reference all vehicles with respect to which coverage is thereby to be granted,
- 2) shall insure the person named therein and insure any other person, except as provided in subparagraph 3 of this paragraph, using an insured vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, operation or use of such vehicle,
- 3) may provide for exclusion from coverage in accordance with existing laws, and
- 4) shall be issued by an authorized carrier providing coverage in accordance with [Section 7-204](#) of this title.

An operator's policy of liability insurance shall insure the named person against loss from the liability imposed upon the named person by law for damages arising out of the operation or use by the named person of any motor vehicle not owned by the named person, subject to the same limits of liability required in an owner's policy.

WHAT IS REQUIRED ON A SECURITY VERIFICATION FORM?

Pursuant to [47 O.S. 7-601-1](#), every carrier, upon issuing an owner's policy, a renewal thereof, or a binder, shall supply a security verification form in duplicate to an owner for each insured vehicle on a form approved by the Insurance Commissioner.

- 1) The owner's security verification form shall contain the following minimum information:
 - a) the name and address of the carrier,
 - b) the name and address of the agent or office where the existence of security may be verified, if other than the carrier,
 - c) the name of the named insured,
 - d) a notice that an owner's liability insurance policy has been issued pursuant to the Compulsory Insurance Law of this state,
 - e) the year of manufacture, make and at least the last three (3) digits of the vehicle identification number of each insured motor vehicle,
 - f) the inclusive dates the motor vehicle liability insurance is in effect, and
 - g) a warning to the owner that state law:
 - i) requires a current copy of the owner's security verification form must be surrendered to the motor license agent or other registering agency upon application or renewal for a motor vehicle license plate, requires the other copy of the owner's security verification form to be carried in the motor vehicle at all times, and produced by any driver of the vehicle upon request for inspection by any peace officer or representative of the Department of Public Safety. In case of a collision, the security verification form shall be shown upon request of any person affected by

- ii) the collision. The security verification form shall not include the address of the named insured.
- 2) The owner's security verification form shall contain the following statement: "Examine policy exclusions carefully. This form does not constitute any part of your insurance policy."
- 3) When a carrier issues an owner's policy providing blanket liability coverage for a fleet of motor vehicles, the year of manufacture, make and at least the last three (3) digits of the vehicle identification number specified in subparagraph e of paragraph 1 of this subsection may be deleted. The security verification form shall bear the term "Fleet Coverage" and otherwise meet the provisions of [Section 47-7-600 et seq.](#) of this title.
- 4) In the event of the effective dates within an owner's policy exceed one (1) year, the carrier shall furnish the owner a copy of the owner's security verification form at least annually in addition to the time of issuance or renewal in order for the owner to submit such copy for motor vehicle registration purposes.
- 5) In the event an owner's policy also provides liability coverage which meets the requirements of an operator's policy, the carrier may also issue to each person entitled thereto an operator's security verification form as provided in this section.

QUESTIONS

Questions applicable to this bulletin should be directed to ljarman@dps.state.ok.us of the Financial Responsibility Division of The Department of Public Safety, 3600 North M.L. King Ave, Oklahoma City, OK 73111. Questions can also be directed to triciashull@insurance.state.ok.us or kathiestepp@insurance.state.ok.us of the Property and Casualty Division of The Oklahoma Insurance Department, P. O. Box 53408, Oklahoma City, OK 73152-3408.

The Oklahoma Insurance Department encourages readers of this bulletin to periodically check the Department's web site <http://www.oid.state.ok.us/> for news and updates to Bulletins and other relevant material.