

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 262

Introduced By: Kruse, 13; Christensen, 44; Cornett, 45; Engel,
17; Howard, 9; Kopplin, 3; Lathrop, 12; Nelson, 6

Read first time: January 10, 2007

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to motor vehicles; to amend sections 44-6408,
2 60-501, 60-509, 60-534, and 60-549, Reissue Revised Statutes
3 of Nebraska, and sections 60-310 and 60-346, Revised
4 Statutes Cumulative Supplement, 2006; to change liability
5 insurance and financial responsibility requirements; to
6 provide an operative date; and to repeal the original
7 sections.

8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-6408, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 44-6408. (1) No policy insuring against liability imposed by
4 law for bodily injury, sickness, disease, or death suffered by a
5 natural person arising out of the ownership, operation, maintenance,
6 or use of a motor vehicle within the United States, its territories or
7 possessions, or Canada shall be delivered, issued for delivery, or
8 renewed with respect to any motor vehicle principally garaged in this
9 state unless coverage is provided for the protection of persons
10 insured who are legally entitled to recover compensatory damages for
11 bodily injury, sickness, disease, or death from (a) the owner or
12 operator of an uninsured motor vehicle in limits of ~~twenty-five~~
13 fifty thousand dollars because of bodily injury, sickness, disease,
14 or death of one person in any one accident and, subject to such limit
15 for one person, ~~fifty~~ one hundred thousand dollars because of
16 bodily injury, sickness, disease, or death of two or more persons in
17 any one accident, and (b) the owner or operator of an underinsured
18 motor vehicle in limits of ~~twenty-five~~ fifty thousand dollars
19 because of bodily injury, sickness, disease, or death of one person in
20 any one accident and, subject to such limit for one person, ~~fifty~~
21 one hundred thousand dollars because of bodily injury, sickness,
22 disease, or death of two or more persons in any one accident.

23 (2) At the written request of the named insured, the insurer
24 shall provide higher limits of uninsured and underinsured motorist
25 coverages in accordance with its rating plan and rules, except that in
26 no event shall the insurer be required to provide limits higher than
27 one hundred thousand dollars per person and three hundred thousand

1 dollars per accident.

2 (3) After purchase of uninsured and underinsured motorist
3 coverages, no insurer or any affiliated insurer shall be required to
4 notify any policyholder in any renewal, reinstatement, substitute,
5 amended, altered, modified, transfer, or replacement policy as to the
6 availability of optional limits of such coverages. The named insured
7 may, subject to the limitations of this section, make a written
8 request for additional coverage or coverage more extensive than that
9 provided in a prior policy.

10 Sec. 2. Section 60-310, Revised Statutes Cumulative
11 Supplement, 2006, is amended to read:

12 60-310. Automobile liability policy means liability
13 insurance written by an insurance carrier duly authorized to do
14 business in this state protecting other persons from damages for
15 liability on account of accidents occurring subsequent to the
16 effective date of the insurance arising out of the ownership of a
17 motor vehicle (1) in the amount of ~~twenty-five~~ fifty thousand
18 dollars because of bodily injury to or death of one person in any one
19 accident, (2) subject to the limit for one person, in the amount of
20 ~~fifty~~ one hundred thousand dollars because of bodily injury to or
21 death of two or more persons in any one accident, and (3) in the
22 amount of ~~twenty-five~~ fifty thousand dollars because of injury to
23 or destruction of property of other persons in any one accident. An
24 automobile liability policy shall not exclude liability coverage under
25 the policy solely because the injured person making a claim is the
26 named insured in the policy or residing in the household with the
27 named insured.

1 Sec. 3. Section 60-346, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 60-346. Proof of financial responsibility means evidence of
4 ability to respond in damages for liability, on account of accidents
5 occurring subsequent to the effective date of such proof, arising out
6 of the ownership, maintenance, or use of a motor vehicle, (1) in the
7 amount of ~~twenty-five~~ fifty thousand dollars because of bodily
8 injury to or death of one person in any one accident, (2) subject to
9 such limit for one person, in the amount of ~~fifty~~ one hundred
10 thousand dollars because of bodily injury to or death of two or more
11 persons in any one accident, and (3) in the amount of ~~twenty-five~~
12 fifty thousand dollars because of injury to or destruction of
13 property of others in any one accident.

14 Sec. 4. Section 60-501, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 60-501. For purposes of the Motor Vehicle Safety
17 Responsibility Act, unless the context otherwise requires:

18 (1) Department means Department of Motor Vehicles;

19 (2) Judgment means any judgment which shall have become
20 final by the expiration of the time within which an appeal might have
21 been perfected without being appealed, or by final affirmation on
22 appeal, rendered by a court of competent jurisdiction of any state or
23 of the United States, (a) upon a cause of action arising out of the
24 ownership, maintenance, or use of any motor vehicle for damages,
25 including damages for care and loss of services, because of bodily
26 injury to or death of any person or for damages because of injury to
27 or destruction of property, including the loss of use thereof, or (b)

1 upon a cause of action on an agreement of settlement for such damages;

2 (3) License means any license issued to any person under the
3 laws of this state pertaining to operation of a motor vehicle within
4 this state;

5 (4) Motor vehicle means any self-propelled vehicle which is
6 designed for use upon a highway, including trailers designed for use
7 with such vehicles, except (a) mopeds as defined in section 60-637,
8 (b) traction engines, (c) road rollers, (d) farm tractors, (e) tractor
9 cranes, (f) power shovels, (g) well drillers, (h) every vehicle which
10 is propelled by electric power obtained from overhead wires but not
11 operated upon rails, (i) electric personal assistive mobility devices
12 as defined in section 60-618.02, and (j) off-road designed vehicles,
13 including, but not limited to, golf carts, go-carts, riding
14 lawnmowers, garden tractors, all-terrain vehicles as defined in
15 section 60-6,355, minibikes as defined in section 60-636, and
16 snowmobiles as defined in section 60-663;

17 (5) Nonresident means every person who is not a resident of
18 this state;

19 (6) Nonresident's operating privilege means the privilege
20 conferred upon a nonresident by the laws of this state pertaining to
21 the operation by him or her of a motor vehicle or the use of a motor
22 vehicle owned by him or her in this state;

23 (7) Operator means every person who is in actual physical
24 control of a motor vehicle;

25 (8) Owner means a person who holds the legal title of a
26 motor vehicle, or in the event (a) a motor vehicle is the subject of
27 an agreement for the conditional sale or lease thereof with the right

1 of purchase upon performance of the conditions stated in the agreement
2 and with an immediate right of possession vested in the conditional
3 vendee or lessee or (b) a mortgagor of a vehicle is entitled to
4 possession, then such conditional vendee or lessee or mortgagor shall
5 be deemed the owner for the purposes of the act;

6 (9) Person means every natural person, firm, partnership,
7 limited liability company, association, or corporation;

8 (10) Proof of financial responsibility means evidence of
9 ability to respond in damages for liability, on account of accidents
10 occurring subsequent to the effective date of such proof, arising out
11 of the ownership, maintenance, or use of a motor vehicle, (a) in the
12 amount of ~~twenty-five~~ fifty thousand dollars because of bodily
13 injury to or death of one person in any one accident, (b) subject to
14 such limit for one person, in the amount of ~~fifty~~ one hundred
15 thousand dollars because of bodily injury to or death of two or more
16 persons in any one accident, and (c) in the amount of ~~twenty-five~~
17 fifty thousand dollars because of injury to or destruction of
18 property of others in any one accident;

19 (11) Registration means registration certificate or
20 certificates and registration plates issued under the laws of this
21 state pertaining to the registration of motor vehicles;

22 (12) State means any state, territory, or possession of the
23 United States, the District of Columbia, or any province of the
24 Dominion of Canada; and

25 (13) The forfeiture of bail, not vacated, or of collateral
26 deposited to secure an appearance for trial shall be regarded as
27 equivalent to conviction of the offense charged.

1 Sec. 5. Section 60-509, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 60-509. No such policy or bond shall be effective under
4 section 60-508 unless issued by an insurance company or surety company
5 authorized to do business in this state, except that if such motor
6 vehicle was not registered in this state or was a motor vehicle which
7 was registered elsewhere than in this state at the effective date of a
8 policy or bond or the most recent renewal thereof, such policy or bond
9 shall not be effective under section 60-508 unless the insurance
10 company or surety company, if not authorized to do business in this
11 state, shall execute an acknowledgment that the company shall be
12 amenable to process issued by a court of this state in any action upon
13 such policy or bond arising out of such accident. Every such policy or
14 bond is subject, if the accident has resulted in bodily injury,
15 sickness, disease, or death, to a limit, exclusive of interest and
16 costs, of not less than ~~twenty-five~~ fifty thousand dollars because
17 of bodily injury to or death of one person in any one accident and,
18 subject to such limit for one person, to a limit of not less than
19 ~~fifty~~ one hundred thousand dollars because of bodily injury to or
20 death of two or more persons in any one accident and, if the accident
21 has resulted in injury to or destruction of property, to a limit of
22 not less than ~~twenty-five~~ fifty thousand dollars because of injury
23 to or destruction of property of others in any one accident. Upon
24 receipt of a notice of such accident, the insurance company or surety
25 company which issued such policy or bond shall furnish, for filing
26 with the department, a written notice that such policy or bond was in
27 effect at the time of such accident.

1 Sec. 6. Section 60-534, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 60-534. Such motor vehicle liability policy shall (1)
4 designate by explicit description or by appropriate reference all
5 motor vehicles with respect to which coverage is thereby to be granted
6 and (2) insure the person named therein and any other person, as
7 insured, using any such motor vehicle or motor vehicles with the
8 express or implied permission of such named insured, against loss from
9 the liability imposed by law for damages arising out of the ownership,
10 maintenance, or use of such motor vehicle or motor vehicles within the
11 United States of America or the Dominion of Canada, subject to limits
12 exclusive of interest and costs, with respect to each such motor
13 vehicle as follows: ~~Twenty-five~~ Fifty thousand dollars because of
14 bodily injury to or death of one person in any one accident and,
15 subject to such limit for one person, ~~fifty~~ one hundred thousand
16 dollars because of bodily injury to or death of two or more persons in
17 any one accident, and ~~twenty-five~~ fifty thousand dollars because
18 of injury to or destruction of property of others in any one accident.

19 Sec. 7. Section 60-549, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 60-549. Proof of financial responsibility may be evidenced
22 by the certificate of the State Treasurer that the person named in the
23 certificate has deposited with him or her ~~seventy-five~~ one hundred
24 fifty thousand dollars per vehicle in cash or securities such as may
25 legally be purchased by savings banks or for trust funds of a market
26 value of ~~seventy-five~~ one hundred fifty thousand dollars. The
27 State Treasurer shall not accept any such deposit and issue a

1 certificate therefor and the department shall not accept such
2 certificate unless it is accompanied by evidence that there are no
3 unsatisfied judgments of any character against the depositor in the
4 county where the depositor resides.

5 Sec. 8. This act becomes operative on January 1, 2008.

6 Sec. 9. Original sections 44-6408, 60-501, 60-509, 60-534,
7 and 60-549, Reissue Revised Statutes of Nebraska, and sections 60-310
8 and 60-346, Revised Statutes Cumulative Supplement, 2006, are
9 repealed.