

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1003

Introduced by Schumacher, 22.

Read first time January 17, 2012

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to motor vehicles; to amend sections 44-6408,
2 60-310, 60-346, 60-509, 60-534, and 60-549, Reissue
3 Revised Statutes of Nebraska, and section 60-501, Revised
4 Statutes Supplement, 2011; to change liability insurance
5 and financial responsibility requirements; to provide an
6 operative date; and to repeal the original sections.

7 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
4 by 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
7 or 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~~ fifty
13 thousand dollars because of bodily injury, sickness, disease, or
14 death of one person in any one accident and, subject to such limit
15 for one person, ~~fifty-one hundred~~ thousand dollars because of bodily
16 injury, sickness, disease, or death of two or more persons in any one
17 accident, and (b) the owner or operator of an underinsured motor
18 vehicle in limits of ~~twenty-five~~ fifty thousand dollars because of
19 bodily injury, sickness, disease, or death of one person in any one
20 accident and, subject to such limit for one person, ~~fifty-one hundred~~
21 thousand dollars because of bodily injury, sickness, disease, or
22 death of two or more persons in any one accident.

23 (2) At the written request of the named insured, the
24 insurer shall provide higher limits of uninsured and underinsured
25 motorist coverages in accordance with its rating plan and rules,

1 except that in no event shall the insurer be required to provide
2 limits higher than one hundred thousand dollars per person and three
3 hundred thousand dollars per accident.

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

12 Sec. 2. Section 60-310, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 60-310 Automobile liability policy means liability
15 insurance written by an insurance carrier duly authorized to do
16 business in this state protecting other persons from damages for
17 liability on account of accidents occurring subsequent to the
18 effective date of the insurance arising out of the ownership of a
19 motor vehicle (1) in the amount of ~~twenty-five~~ fifty thousand dollars
20 because of bodily injury to or death of one person in any one
21 accident, (2) subject to the limit for one person, in the amount of
22 ~~fifty-one hundred~~ thousand dollars because of bodily injury to or
23 death of two or more persons in any one accident, and (3) in the
24 amount of ~~twenty-five~~ fifty thousand dollars because of injury to or
25 destruction of property of other persons in any one accident. An

1 automobile liability policy shall not exclude liability coverage
2 under the policy solely because the injured person making a claim is
3 the named insured in the policy or residing in the household with the
4 named insured.

5 Sec. 3. Section 60-346, Reissue Revised Statutes of
6 Nebraska, is amended to read:

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

18 Sec. 4. Section 60-501, Revised Statutes Supplement,
19 2011, is amended to read:

20 60-501 For purposes of the Motor Vehicle Safety
21 Responsibility Act, unless the context otherwise requires:

22 (1) Department means Department of Motor Vehicles;

23 (2) Judgment means any judgment which shall have become
24 final by the expiration of the time within which an appeal might have
25 been perfected without being appealed, or by final affirmation on

1 appeal, rendered by a court of competent jurisdiction of any state or
2 of the United States, (a) upon a cause of action arising out of the
3 ownership, maintenance, or use of any motor vehicle for damages,
4 including damages for care and loss of services, because of bodily
5 injury to or death of any person or for damages because of injury to
6 or destruction of property, including the loss of use thereof, or (b)
7 upon a cause of action on an agreement of settlement for such
8 damages;

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

12 (4) Low-speed vehicle means a four-wheeled motor vehicle
13 (a) whose speed attainable in one mile is more than twenty miles per
14 hour and not more than twenty-five miles per hour on a paved, level
15 surface, (b) whose gross vehicle weight rating is less than three
16 thousand pounds, and (c) that complies with 49 C.F.R. part 571, as
17 such part existed on January 1, ~~2011~~ 2012;

18 (5) Minitruck means a foreign-manufactured import vehicle
19 or domestic-manufactured vehicle which (a) is powered by an internal
20 combustion engine with a piston or rotor displacement of one thousand
21 cubic centimeters or less, (b) is sixty-seven inches or less in
22 width, (c) has a dry weight of four thousand two hundred pounds or
23 less, (d) travels on four or more tires, (e) has a top speed of
24 approximately fifty-five miles per hour, (f) is equipped with a bed
25 or compartment for hauling, (g) has an enclosed passenger cab, (h) is

1 equipped with headlights, taillights, turnsignals, windshield wipers,
2 a rearview mirror, and an occupant protection system, and (i) has a
3 four-speed, five-speed, or automatic transmission;

4 (6) Motor vehicle means any self-propelled vehicle which
5 is designed for use upon a highway, including trailers designed for
6 use with such vehicles, minitrucks, and low-speed vehicles. Motor
7 vehicle does not include (a) mopeds as defined in section 60-637, (b)
8 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 and utility-type
15 vehicles as defined in section 60-6,355, minibikes as defined in
16 section 60-636, and snowmobiles as defined in section 60-663;

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

19 (8) 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 (9) Operator means every person who is in actual physical
24 control of a motor vehicle;

25 (10) Owner means a person who holds the legal title of a

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

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

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

21 (13) Registration means registration certificate or
22 certificates and registration plates issued under the laws of this
23 state pertaining to the registration of motor vehicles;

24 (14) State means any state, territory, or possession of
25 the United States, the District of Columbia, or any province of the

1 Dominion of Canada; and

2 (15) The forfeiture of bail, not vacated, or of
3 collateral deposited to secure an appearance for trial shall be
4 regarded as equivalent to conviction of the offense charged.

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

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

1 limit of not less than ~~twenty-five~~fifty thousand dollars because of
2 injury to or destruction of property of others in any one accident.
3 Upon receipt of a notice of such accident, the insurance company or
4 surety company which issued such policy or bond shall furnish, for
5 filing with the department, a written notice that such policy or bond
6 was in effect at the time of such accident.

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

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

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

3 60-549 Proof of financial responsibility may be evidenced
4 by the certificate of the State Treasurer that the person named in
5 the certificate has deposited with him or her ~~seventy-five thousand~~
6 ~~dollars~~ an amount equal to the sum of the amounts specified in
7 subdivisions (12)(b) and (c) of section 60-501 per vehicle in cash or
8 securities such as may legally be purchased by savings banks or for
9 trust funds of a market value of ~~seventy-five thousand dollars.~~ such
10 amount. The State Treasurer shall not accept any such deposit and
11 issue a certificate therefor and the department shall not accept such
12 certificate unless it is accompanied by evidence that there are no
13 unsatisfied judgments of any character against the depositor in the
14 county where the depositor resides.

15 Sec. 8. This act becomes operative on January 1, 2013.

16 Sec. 9. Original sections 44-6408, 60-310, 60-346,
17 60-509, 60-534, and 60-549, Reissue Revised Statutes of Nebraska, and
18 section 60-501, Revised Statutes Supplement, 2011, are repealed.