LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 643

Introduced by Krist, 10.

Read first time January 18, 2017

Committee: Banking, Commerce and Insurance

A BILL FOR AN ACT relating to motor vehicles; to amend sections 44-6408, 60-346, 60-509, 60-534, and 60-549, Reissue Revised Statutes of Nebraska, and sections 60-310 and 60-501, Revised Statutes Cumulative Supplement, 2016; to change liability insurance and financial responsibility requirements; to provide an operative date; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 44-6408, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

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

Sec. 2. Section 60-310, Revised Statutes Cumulative Supplement, 2016, is amended to read:

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

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

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

Sec. 4. Section 60-501, Revised Statutes Cumulative Supplement, 2016, is amended to read:

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

(1) Department means Department of Motor Vehicles;

(2) Golf car vehicle means a vehicle that has at least four wheels, has a maximum level ground speed of less than twenty miles per hour, has a maximum payload capacity of one thousand two hundred pounds, has a maximum gross vehicle weight of two thousand five hundred pounds, has a maximum passenger capacity of not more than four persons, and is designed and manufactured for operation on a golf course for sporting and recreational purposes;

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

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

(5) Low-speed vehicle means a four-wheeled motor vehicle (a) whose speed attainable in one mile is more than twenty miles per hour and not more than twenty-five miles per hour on a paved, level surface, (b) whose gross vehicle weight rating is less than three thousand pounds, and (c) that complies with 49 C.F.R. part 571, as such part existed on January 1, 2016;
(6) Minitruck means a foreign-manufactured import vehicle or domestic-manufactured vehicle which (a) is powered by an internal combustion engine with a piston or rotor displacement of one thousand five hundred cubic centimeters or less, (b) is sixty-seven inches or less in width, (c) has a dry weight of four thousand two hundred pounds or less, (d) travels on four or more tires, (e) has a top speed of approximately fifty-five miles per hour, (f) is equipped with a bed or compartment for hauling, (g) has an enclosed passenger cab, (h) is equipped with headlights, taillights, turn signals, windshield wipers, a rearview mirror, and an occupant protection system, and (i) has a four-speed, five-speed, or automatic transmission;

(7) Motor vehicle means any self-propelled vehicle which is designed for use upon a highway, including trailers designed for use with such vehicles, minitrucks, and low-speed vehicles. Motor vehicle does not include (a) mopeds as defined in section 60-637, (b) traction engines, (c) road rollers, (d) farm tractors, (e) tractor cranes, (f) power shovels, (g) well drillers, (h) every vehicle which is propelled by electric power obtained from overhead wires but not operated upon rails, (i) electric personal assistive mobility devices as defined in section 60-618.02, (j) off-road designed vehicles, including, but not limited to, golf car vehicles, go-carts, riding lawnmowers, garden tractors, all-terrain vehicles and utility-type vehicles as defined in section 60-6,355, minibikes as defined in section 60-636, and snowmobiles as defined in section 60-663, and (k) bicycles as defined in section 60-611;

(8) Nonresident means every person who is not a resident of this state;

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

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

(11) Owner means a person who holds the legal title of a motor
vehicle, or in the event (a) a motor vehicle is the subject of an
agreement for the conditional sale or lease thereof with the right of
purchase upon performance of the conditions stated in the agreement and
with an immediate right of possession vested in the conditional vendee or
lessee or (b) a mortgagor of a vehicle is entitled to possession, then
such conditional vendee or lessee or mortgagor shall be deemed the owner
for the purposes of the act;

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

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

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

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

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

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

60-509 No such policy or bond shall be effective under section 60-508 unless issued by an insurance company or surety company authorized to do business in this state, except that if such motor vehicle was not registered in this state or was a motor vehicle which was registered elsewhere than in this state at the effective date of a policy or bond or the most recent renewal thereof, such policy or bond shall not be effective under section 60-508 unless the insurance company or surety company, if not authorized to do business in this state, shall execute an acknowledgment that the company shall be amenable to process issued by a court of this state in any action upon such policy or bond arising out of such accident. Every such policy or bond is subject, if the accident has resulted in bodily injury, sickness, disease, or death, to a limit, exclusive of interest and costs, of not less than fifty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to such limit for one person, to a limit of not less than one hundred fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident and, if the accident has resulted in injury to or destruction of property, to a limit of not less than fifty thousand dollars because of injury to or destruction of property of others in any one accident. Upon receipt of a notice of such accident, the insurance company or surety company which issued such policy or bond shall furnish, for filing with the department, a written notice that such policy or bond was in effect at the time of such accident.

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

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

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

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

Sec. 8. This act becomes operative on January 1, 2018.

Sec. 9. Original sections 44-6408, 60-346, 60-509, 60-534, and
60-549, Reissue Revised Statutes of Nebraska, and sections 60-310 and
60-501, Revised Statutes Cumulative Supplement, 2016, are repealed.