

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 418

Introduced by Dungan, 26.

Read first time January 12, 2023

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to the Motor Vehicle Safety Responsibility
2 Act; to amend sections 60-502, 60-504, 60-523, 60-533, 60-536,
3 60-538, 60-539, 60-540, 60-545, 60-546, 60-550, 60-552, 60-553,
4 60-555, 60-556, 60-560, 60-565, 60-567, 60-568, and 60-569, Reissue
5 Revised Statutes of Nebraska; to require certain policies issued by
6 insurers to comply with federal minimum levels of financial
7 responsibility for motor carriers as prescribed; to define a term;
8 to harmonize provisions; to eliminate obsolete provisions; and to
9 repeal the original sections.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) For purposes of this section, motor carrier means
2 any person or entity who or which, as a for-hire motor carrier or a
3 private motor carrier, owns, controls, manages, operates, or causes to be
4 operated any motor vehicle used to transport passengers or property in
5 intrastate commerce over any public highway in this state.

6 (2) No policy insuring against liability imposed by law for bodily
7 injury, sickness, disease, or death suffered by a natural person arising
8 out of the ownership, operation, maintenance, or use of a motor vehicle
9 owned or used by a motor carrier or action of a driver employed by or
10 contracted with such motor carrier operating within this state shall be
11 delivered, issued for delivery, or renewed unless the insurer ascertains
12 that primary and excess coverage, including surety bonds, certificates of
13 insurance, proof of qualifications as self-insurer, or other securities
14 or agreements, meets or exceeds the minimum coverage amounts required
15 under 49 C.F.R. part 387, as such part existed on January 1, 2023.

16 (3) At the written request of the named insured, the insurer shall
17 provide higher limits of liability coverage than the minimum coverage
18 required under 49 C.F.R. part 387, as such part existed on January 1,
19 2023, in accordance with its rating plan and rules.

20 Sec. 2. Section 60-502, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 60-502 The department shall administer and enforce the Motor Vehicle
23 Safety Responsibility Act ~~provisions of sections 60-501 to 60-569~~ and may
24 adopt and promulgate ~~make~~ rules and regulations necessary for its
25 administration.

26 Sec. 3. Section 60-504, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 60-504 The department shall upon request furnish any person a
29 certified abstract of the operating record of any person subject to the
30 Motor Vehicle Safety Responsibility Act ~~provisions of sections 60-501 to~~
31 ~~60-569~~, which abstract shall also fully designate the motor vehicles, if

1 any, registered in the name of such person, and, if there shall be no
2 record of any conviction of such person of violating any law relating to
3 the operation of a motor vehicle or of any injury or damage caused by
4 such person, the department shall so certify. Such abstracts shall not be
5 admissible as evidence in any action for damages or criminal proceedings
6 arising out of a motor vehicle accident.

7 Sec. 4. Section 60-523, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 60-523 In the event the judgment debtor fails to pay an installment
10 as specified by such order, the department, upon notice of such default,
11 shall forthwith suspend the license, registration or nonresident's
12 operating privilege of the judgment debtor until such judgment is
13 satisfied, as provided in the Motor Vehicle Safety Responsibility Act
14 ~~sections 60-501 to 60-569.~~

15 Sec. 5. Section 60-533, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 60-533 For purposes of the Motor Vehicle Safety Responsibility Act,
18 A motor vehicle liability policy means ~~, as said term is used in sections~~
19 ~~60-501 to 60-569, shall mean~~ an owner's or an operator's policy of
20 liability insurance, certified as provided in sections 60-529 to 60-531
21 as proof of financial responsibility, and issued, except as otherwise
22 provided in section 60-531 by an insurance carrier duly authorized to
23 transact business in this state, to or for the benefit of the person
24 named therein as insured.

25 Sec. 6. Section 60-536, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 60-536 Each ~~Such~~ motor vehicle liability policy shall state the
28 name and address of the named insured, the coverage afforded by the
29 policy, the premium charged therefor, the policy period and the limits of
30 liability, and shall contain an agreement or be endorsed that insurance
31 is provided thereunder in accordance with the coverage defined in the

1 ~~Motor Vehicle Safety Responsibility Act sections 60-501 to 60-569~~ as
2 respects bodily injury and death or property damage, or both, and is
3 subject to the act ~~all the provisions of sections 60-501 to 60-569.~~

4 Sec. 7. Section 60-538, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 60-538 Each ~~Every~~ motor vehicle liability policy shall be subject
7 to the following provisions which need not be contained therein: (1) The
8 liability of the insurance carrier with respect to the insurance required
9 by the Motor Vehicle Safety Responsibility Act sections 60-501 to 60-569
10 shall become absolute whenever injury or damage covered by such said
11 motor vehicle liability policy occurs; such said policy may not be
12 canceled or annulled as to such liability by any agreement between the
13 insurance carrier and the insured after the occurrence of the injury or
14 damage; no statement made by the insured or on his or her behalf and no
15 violation of such said policy shall defeat or void such said policy; (2)
16 the satisfaction by the insured of a judgment for such injury or damage
17 shall not be a condition precedent to the right or duty of the insurance
18 carrier to make payment on account of such injury or damage; (3) the
19 insurance carrier shall have the right to settle any claim covered by the
20 policy and, if such settlement is made in good faith, the amount thereof
21 shall be deductible from the limits of liability specified in subsection
22 (2) of section 60-534; and (4) the policy, the written application
23 therefor, if any, and any rider or endorsement which does not conflict
24 with the Motor Vehicle Safety Responsibility Act provisions of sections
25 ~~60-501 to 60-569~~ shall constitute the entire contract between the
26 parties.

27 Sec. 8. Section 60-539, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 60-539 Any policy which grants the coverage required for a motor
30 vehicle liability policy may also grant any lawful coverage in excess of
31 or in addition to the coverage specified for a motor vehicle liability

1 policy and such excess or additional coverage shall not be subject to the
2 Motor Vehicle Safety Responsibility Act provisions of sections ~~60-501 to~~
3 ~~60-569~~. With respect to a policy that ~~which~~ grants such excess or
4 additional coverage, the term motor vehicle liability policy shall apply
5 only to that part of the coverage which is required by sections 60-533 to
6 60-543.

7 Sec. 9. Section 60-540, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 60-540 Any motor vehicle liability policy may provide that the
10 insured shall reimburse the insurance carrier for any payment the
11 insurance carrier would not have been obligated to make under the terms
12 of the policy except for the provisions of the Motor Vehicle Safety
13 Responsibility Act sections ~~60-501 to 60-569~~.

14 Sec. 10. Section 60-545, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 60-545 The Motor Vehicle Safety Responsibility Act Sections ~~60-501~~
17 ~~to 60-569~~ shall not be held to apply to or affect policies of automobile
18 insurance against liability which may now or hereafter be required by any
19 other law of this state, and such policies, if they contain an agreement
20 or are endorsed to conform to the requirements of the Motor Vehicle
21 Safety Responsibility Act sections ~~60-501 to 60-569~~, may be certified as
22 proof of financial responsibility under the act sections ~~60-501 to~~
23 ~~60-569~~.

24 Sec. 11. Section 60-546, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 60-546 The Motor Vehicle Safety Responsibility Act Sections ~~60-501~~
27 ~~to 60-569~~ shall not be held to apply to or affect policies solely
28 insuring the insured named in the policy against liability resulting from
29 the maintenance or use, by persons in the employ of the insured or on his
30 or her behalf, of motor vehicles not owned by the insured.

31 Sec. 12. Section 60-550, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 60-550 Such deposit shall be held by the State Treasurer to satisfy,
3 in accordance with the Motor Vehicle Safety Responsibility Act provisions
4 ~~of sections 60-501 to 60-569~~, any execution on a judgment issued against
5 such person making the deposit, for damages, including damages for care
6 and loss of services, because of bodily injury to or death of any person,
7 or for damages because of injury to or destruction of property, including
8 the loss of use thereof, resulting from the ownership, maintenance, use
9 or operation of a motor vehicle after such deposit was made. Money or
10 securities so deposited shall not be subject to attachment or execution
11 unless such attachment or execution shall arise out of a suit for damages
12 as described in this section aforesaid.

13 Sec. 13. Section 60-552, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 60-552 The department shall consent to the cancellation of any bond
16 or certificate of insurance or the department shall direct and the State
17 Treasurer shall return any money or securities to the person entitled
18 thereto upon the substitution and acceptance of other adequate proof of
19 financial responsibility pursuant to the Motor Vehicle Safety
20 Responsibility Act ~~sections 60-501 to 60-569~~.

21 Sec. 14. Section 60-553, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 60-553 Whenever any proof of financial responsibility~~7~~ filed under
24 the Motor Vehicle Safety Responsibility Act ~~provisions of sections 60-501~~
25 ~~to 60-569~~, no longer fulfills the purposes for which required, the
26 department shall~~7~~, ~~for the purpose of sections 60-501 to 60-569~~, require
27 other proof as required by the act ~~sections 60-501 to 60-569~~ and shall
28 suspend the license and registration or the nonresident's operating
29 privilege pending the filing of such other proof.

30 Sec. 15. Section 60-555, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 60-555 If an owner's registration has been suspended under the Motor
2 Vehicle Safety Responsibility Act hereunder, such registration shall not
3 be transferred, nor shall the motor vehicle for in respect of which such
4 registration was issued be registered in any other name after the date of
5 the accident until the department is satisfied that such transfer of
6 registration is proposed in good faith and not for the purpose or with
7 the effect of defeating the purposes of the act ~~sections 60-501 to~~
8 ~~60-569~~. Nothing in this section shall be held to apply to or affect the
9 registration of any motor vehicle sold by a person who, pursuant to the
10 terms or conditions of any written instrument giving a right of
11 repossession, has exercised such right and has repossessed such motor
12 vehicle from a person whose registration has been suspended under the act
13 ~~provisions of sections 60-501 to 60-569~~.

14 Sec. 16. Section 60-556, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 60-556 (1) Any person (a) whose license or registration has ~~shall~~
17 ~~have been suspended under the Motor Vehicle Safety Responsibility Act as~~
18 ~~herein provided~~, (b) whose policy of insurance or bond, when required
19 under the act, ~~has sections 60-501 to 60-569, shall have been canceled or~~
20 ~~terminated~~, or (c) who neglects ~~shall neglect~~ to furnish other proof upon
21 the request of the department shall immediately return his or her license
22 and registration to the department. If any person fails ~~shall fail~~ to
23 return to the department the license or registration as provided under
24 the act ~~herein~~, the department shall ~~forthwith~~ direct any peace officer
25 or authorized representative of the department to secure possession
26 thereof and to return the same to the department.

27 (2) It shall be the duty of the peace officer or law enforcement
28 officer who is directed to secure possession of the license and
29 registration under subsection (1) of this section to make every
30 reasonable effort to secure the license and registration and return such
31 license and registration to the department or to show good cause, as ~~that~~

1 is determined by the department, why such license or registration is
2 unable to be returned.

3 Sec. 17. Section 60-560, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 60-560 Any person who violates ~~shall violate~~ any provision of the
6 Motor Vehicle Safety Responsibility Act ~~sections 60-501 to 60-569~~ for
7 which no penalty is otherwise provided shall be guilty of a Class III
8 misdemeanor.

9 Sec. 18. Section 60-565, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 60-565 The Motor Vehicle Safety Responsibility Act ~~Sections 60-501~~
12 ~~to 60-569~~ shall in no respect be considered as a repeal of the state
13 motor vehicle law, but shall be construed as supplemental thereto.

14 Sec. 19. Section 60-567, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 60-567 Nothing in the Motor Vehicle Safety Responsibility Act
17 ~~sections 60-501 to 60-569~~ shall be construed as preventing the plaintiff
18 in any action at law from seeking ~~relying for~~ relief through ~~upon~~ the
19 other remedies ~~processes~~ provided by law.

20 Sec. 20. Section 60-568, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 60-568 The Motor Vehicle Safety Responsibility Act ~~Sections 60-501~~
23 ~~to 60-569~~ shall be so interpreted and construed as to effectuate its
24 ~~their~~ general purpose to make uniform the laws of the ~~those~~ states that
25 ~~which~~ enact it ~~them~~.

26 Sec. 21. Section 60-569, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 60-569 Sections 60-501 to 60-569 and section 1 of this act shall be
29 known and may be cited as the Motor Vehicle Safety Responsibility Act.

30 Sec. 22. Original sections 60-502, 60-504, 60-523, 60-533, 60-536,
31 60-538, 60-539, 60-540, 60-545, 60-546, 60-550, 60-552, 60-553, 60-555,

- 1 60-556, 60-560, 60-565, 60-567, 60-568, and 60-569, Reissue Revised
- 2 Statutes of Nebraska, are repealed.