

Chapter 486

Motor Vehicle Safety Responsibility Act

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DEFINITIONS; GENERAL PROVISIONS

486.005 "Chauffeur," "commissioner," "department," "driver" and "judgment" defined. As used in this chapter, except when the context clearly indicates a different meaning:

(1) "Chauffeur" means every person who is employed by another for the principal purpose of driving a motor vehicle and every person who drives a school bus transporting school children, or any motor vehicle when in use for the transportation of persons or property for compensation

(2) "Commissioner" means the Secretary of State

(3) "Department" means the Secretary of State acting directly or through duly authorized officers and agents

(4) "Driver" means every person who drives or is in actual physical control of a vehicle

(5) "Judgment" means any judgment which has become final by expiration, without appeal, of the time within which an appeal might have been perfected, or by final affirmation on appeal, rendered by a court of competent jurisdiction of any state or of the United States, upon a cause of action arising out of the ownership, operation, maintenance or use of any vehicle of a type subject to registration under the laws of this state, 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 upon a cause of action on an agreement of settlement for such damages.

486.010 "License," "motor vehicle," "nonresident," "nonresident's operating privilege" and "operator" defined. As used in this chapter, except when the context clearly indicates a different meaning

(1) "License" means any operator's or chauffeur's license or any other license or permit to operate a motor vehicle issued under the laws of this state including:

(a) Any temporary license or instruction permit.

(b) The privilege of any person to drive a motor vehicle whether or not such person holds a valid license.

(c) Any nonresident's operating privilege.

(2) "Motor vehicle" means every vehicle which is self-propelled and every vehicle which is propelled by electric power obtain-

ed from overhead trolley wires, but not operated upon rails.

(3) "Nonresident" means every person who is not a resident of this state

(4) "Nonresident's operating privilege" means the privilege conferred upon a nonresident by the laws of this state pertaining to the operation by such person of a motor vehicle, or the use of a vehicle owned by such person, in this state.

(5) "Operator" means every person, other than a chauffeur, who drives or is in the actual physical control of a motor vehicle upon a highway or who is exercising control over or steering a vehicle being towed by a motor vehicle.

486.015 "Owner," "proof of financial responsibility," "registration," "state" and "vehicle" defined. As used in this chapter, except when the context clearly indicates a different meaning

(1) "Owner" means a person who holds the legal title to a vehicle, except that:

(a) A mortgagor is deemed to be the owner of a vehicle if he is entitled to its possession

(b) A conditional vendee or lessee is deemed to be the owner of a vehicle that 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 him

(2) "Proof of financial responsibility" means proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of the proof, arising out of the ownership, operation, maintenance or use of a vehicle of a type subject to registration under the laws of this state in the amount of

(a) \$5,000 because of bodily injury to or death of one person in any one accident;

(b) Subject to that limit for one person, \$10,000 because of bodily injury to or death of two or more persons in any one accident; and

(c) \$1,000 because of injury to or destruction of the property of others in any one accident.

(3) "Registration" means the registration certificate and plates issued under the laws of this state pertaining to the registration of vehicles

(4) "State" means any state, territory or possession of the United States, the Dis-

trict of Columbia, or any province of the Dominion of Canada

(5) "Vehicle" means every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, except devices moved by human power or used exclusively upon stationary rails or tracks.

486.020 Security required following accident. Within 50 days following an accident for which a report is required under ORS 486.105, the driver and the owner shall:

(1) Unless he is exempt from the security requirements of this chapter under ORS 486.035 or 486.040, deposit security in a sum which is sufficient in the judgment of the commissioner to satisfy any judgments for damages resulting from such accident as may be recovered against such driver, subject to the limits set forth in ORS 486.135; and

(2) Unless he has in effect at the time of the accident a certificate of insurance, a bond, a certificate of deposit of money, or a valid certificate of self-insurance, meeting the requirements of this chapter, file with the department and thereafter maintain for a period of three years proof of financial responsibility.

486.025 Commissioner's powers and duties generally. The commissioner shall:

(1) Administer and enforce the provisions of this chapter and make rules and regulations necessary for its administration

(2) Prescribe and provide suitable forms for the purposes of this chapter

(3) Determine by rules and regulations the method whereby he shall be informed as to whether the liability of an owner or driver by reason of an accident is covered by an acceptable automobile liability policy or bond

486.030 Proving exemption. Every person otherwise required to deposit security or to file proof of financial responsibility under this chapter may, by filing with the department evidence satisfactory to it, establish that he is exempt under the provisions of ORS 486.035 or 486.040.

486.035 When both driver and owner are exempt from security requirements. Both the driver and the owner of a vehicle are exempt from the security requirements of this chapter if:

(1) The driver at the time of the acci-

dent was operating a vehicle owned by or leased by and operated under the direction of the United States, this state, or any municipality or political subdivision of this state. This exemption shall be established by filing with the department proof of such ownership,

(2) No injury or damage was caused in the accident to the person, or to property in excess of \$100, of anyone other than such driver or his employer,

(3) The vehicle at the time of the accident was parked, unless it was parked at a place where the parking was, at the time of the accident, prohibited under some applicable law or ordinance,

(4) Such liability as may arise from the driver's operation of the vehicle involved in the accident was covered by some form of liability insurance or bond which complies with the requirements of this chapter, or

(5) The owner of the vehicle involved in the accident was a self-insurer within the provisions of ORS 486.440.

486.040 Exemptions based upon release, settlement, adjudication, payment or lack of permission. (1) A person is exempt from the security requirements of this chapter if

(a) At the time of the accident his vehicle was being operated without his permission, expressed or implied, or was parked by a person who had been operating such vehicle without such permission;

(b) He is released from liability by all other persons injured or damaged in the accident. The department may accept for the purposes of this chapter evidence of a release from liability executed by a natural guardian or a legal guardian on behalf of a minor without the approval of any court or judge,

(c) There has been a final adjudication of nonliability in respect to such person as to all claims arising out of the accident; or

(d) He files with the department evidence establishing that a duly acknowledged settlement agreement with respect to all damages or injuries arising out of the accident has been executed by him

(2) If an insurance carrier, on behalf of its insured, has made payment to a person on account of damage to his property resulting from an accident, or has made payment to his insurance carrier under a right of subrogation, he shall be exempt from the security requirements of this chapter with respect to any claim against him by the

insured for damage to the insured's property resulting from the accident

(3) If an insurance carrier, on behalf of its insured, has made payment to a person on account of bodily injuries suffered by him in an accident, he shall be exempt from the security requirements of this chapter with respect to any claim against him by the insured for bodily injury suffered in the accident.

(4) If an insurance carrier, on behalf of its insured, has made payment for bodily injury suffered by a spouse or minor child of a person in an accident, such person shall be exempt from the security and suspension provisions of this chapter with respect to any claim by the insured for bodily injury suffered in the accident

486.045 Payment on judgment as release. The payment upon a judgment arising out of an accident in an amount within the maximum amount of any required deposit under this chapter shall, for the purposes of this chapter, release the judgment debtor from the liability evidenced by such judgment

486.050 When security and suspension provisions apply to employer rather than driver. If the driver at the time of an accident was driving, with the permission of his employer, a motor vehicle owned, operated or leased by his employer, the security, proof of financial responsibility and suspension provisions of this chapter shall apply to the employer and to the vehicles owned by him or registered under his name, and shall not apply to such driver

486.055 Operating record of drivers available to public. The department shall upon request furnish any person a certified abstract of the operating record of any person subject to this chapter. The abstract shall include enumeration of any motor vehicle accidents in which such person has been involved, reference to any convictions of such person for violation of the motor vehicle laws as reported to the department, and a record of any vehicles registered in his name. The department shall collect for each abstract the sum of \$1

486.060 Admissibility of accident report and department's findings. The report required following an accident, the action taken by the department under this chapter, the findings, if any, of the department upon

which such action is based, and the deposit of security, shall not be referred to in any way or be any evidence of the negligence or due care of any party at the trial of any action at law to recover damages

486.065 Reviews and other actions not affected. Nothing in this chapter is intended to prevent

(1) A review or other action permitted by the Constitution and laws of this state by a court of competent jurisdiction with reference to any order or action of the department under this chapter

(2) The plaintiff in any action at law from relying for relief upon the other processes provided by law

486.070 Interrelation with former responsibility Acts. (1) This chapter does not apply with respect to any accident, or judgment arising therefrom, or violation of the motor vehicle laws of this state, occurring prior to August 2, 1951.

(2) All deposits, policies of insurance and other proof of financial responsibility held by the department or the State Treasurer, and all cancelations, suspensions and revocations made by the department, pursuant to chapter 434, Oregon Laws 1935, as amended, shall remain in full force and effect subject to the provisions of this chapter

486.075 to 486.100 [Reserved for expansion]

ACCIDENT REPORTS; SECURITY DEPOSITS

486.105 Accident report required. Except as provided in ORS 486.110 and 486.120, the driver of a vehicle of a type subject to registration under the motor vehicle laws of this state which is in any manner involved in an accident upon any street or highway within this state, which has resulted in damage to the property or in bodily injury to or death of any person shall, within 24 hours after such accident, report it on a form approved by the commissioner to the office of the department

486.110 Owner's duty to report accident. If any driver is physically incapable of making such report and is not the owner of the motor vehicle involved in the accident, the owner shall, as soon as he learns of the accident, report the matter in writing to the department.

486.115 Additional reports. The driver or the owner shall make such other and additional reports relating to such accident as the department may require.

486.120 Report not required when government vehicle involved. An accident report is not required when the vehicle involved in the accident was owned or leased by and was being operated under the direction of the United States, this state, or any municipality or political subdivision of this state

486.125 License and registration suspension for failure to report. The department may suspend any license of any driver and the registration of all vehicles registered in the name of an owner who wilfully fails, refuses or neglects to report an accident as required in ORS 486 105 and 486 110, until such report is filed

486.130 Determination of amount of deposit; when deposit not required. (1) The department shall determine the amount of security deposit required of any person subject to the provisions of this chapter. The determination shall be made upon the basis of the reports or other evidence submitted to it.

(2) The department shall not require a deposit of security for the benefit of any person in the absence of a report or other evidence submitted by such person or on his behalf within 50 days following the accident, indicating the extent of his injuries or the damage to his property.

(3) For the purposes of this chapter, a driver or owner shall not be required to deposit security for death of or damage or injury sustained by his spouse or minor child.

486.135 Amount of deposit required. The security required under this chapter shall be in amounts of not more than:

(1) \$5,000 because of bodily injury to or death of one person in any one accident;

(2) Subject to that limit for one person, \$10,000 because of bodily injury to or death of two or more persons in any one accident; and

(3) \$1,000 because of injury to or destruction of the property of others in any one accident

486.140 Reducing or increasing security. The department may reduce the amount of security ordered in any case if in its judgment the amount ordered is excessive. When the security originally determined has been

deposited, the excess on deposit over the reduced amount shall be returned to the depositor or his personal representative forthwith. The department shall not be required to increase the amount of any deposit after it has been determined and ordered.

486.145 Payment of judgment out of deposit. (1) The security shall be available:

(a) For the payment of final judgments rendered against the driver or owner in whose behalf the deposit was made, for damages arising out of the accident, in an action at law begun not later than one year after the date of such accident, or within one year after the date of deposit of any security following failure to make payments under an agreement to pay; or

(b) For the payment of any settlement agreement covering any claim arising out of the accident, upon instruction of the person who made the deposit

(2) Every distribution of funds from the security deposit shall be subject to the limits of the department's evaluation on behalf of a claimant but not in excess of the maximum amounts provided in ORS 486.135 for bodily injury and property damage.

486.150 Type of security and where deposited. The security required under this chapter shall be in the form of money or an instrument transmitting money in a form satisfactory to the department, and shall be deposited by the department with the State Treasurer.

486.155 Return of deposit to depositor.

(1) The deposit shall be returned to the depositor if he at any time establishes exemption from security under ORS 486.035 or 486 040

(2) After the expiration of one year from the date of deposit, any security remaining on deposit shall be returned to the depositor or to his personal representative, except that the department shall not make such return if it has received notice.

(a) That an action for damages arising out of the accident has been filed against the driver or owner in whose behalf the deposit was made and the department is satisfied that such action is then pending; or

(b) That there is a judgment rendered in any such action against the driver or owner in whose behalf the deposit was made and the department is satisfied that such judgment remains unpaid

486.160 to 486.200 [Reserved for expansion]

SUSPENSION OF LICENSES AND REGISTRATION

486.205 Suspension of operator's license. Whenever the driver has failed within 50 days after an accident to establish his exemption from security and his exemption from filing proof of financial responsibility, and has failed to deposit security or to file proof of financial responsibility, or both, within 10 days after issuance of the order by the department specifying the amount of security, the department shall suspend his license.

486.210 Suspension of employer's vehicle registration privileges. Whenever the employer of a driver is required to deposit security or file proof of financial responsibility by reason of an accident and he has failed within 50 days after such accident to establish his exemption from security or financial responsibility, or both, and has failed either to file proof of financial responsibility or to deposit security within 10 days after notice by the department specifying the amount of security, the department shall suspend the registration of all vehicles owned by or operated by or leased to such employer as owner. No vehicle shall be registered in the name of such employer as owner until he complies with this chapter

486.215 Effective date of suspension. Every suspension required by this chapter shall be effective not later than the seventy-fifth day after receipt of the accident report by the department.

486.220 Suspension following default in payment under settlement agreement. In the event of a default in any payment under a settlement agreement, as described in paragraph (d) of subsection (1) of ORS 486.040, the department, upon notice of such default, shall take action suspending the license or registration of such person as though he had failed to deposit security under this chapter. Such suspension shall remain in effect and such license or registration shall not be restored until

(1) (a) Security as required by this chapter in such amount as the department may then determine is deposited; or

(b) One year has elapsed following the effective date of such suspension and during such period no action at law upon such agree-

ment has been instituted and is pending; or
(c) The agreement debtor has paid off the balance of the contract; and

(2) Such person files proof of financial responsibility.

486.225 Removal of suspension. The privilege of driving a vehicle of a type subject to registration under the laws of this state and all licenses evidencing such privilege and the registration of all vehicles suspended under this chapter shall remain suspended and shall not be renewed nor shall any such license or registration be issued until:

(1) (a) Exemption from the requirement of security has been established as provided in ORS 486.030; or

(b) The security required under this chapter has been deposited; or

(c) One year has elapsed following the date of such accident and evidence satisfactory to the department has been filed with it that during such period no action at law for damages arising out of such accident has been instituted and is pending, and

(2) Proof of financial responsibility has been filed.

486.230 Proving absence of action to obtain removal. Under paragraph (c) of subsection (1) of ORS 486.225, an affidavit of the applicant that no action at law for damages arising out of the accident has been filed against him, or if filed it is not still pending, is prima facie evidence of that fact

486.235 Suspension of vehicle registration upon suspension or revocation of operator's license. (1) Except as provided in subsection (2) of this section, whenever the department receives an official report of the conviction of, or forfeiture of bail by any person for an offense under the motor vehicle laws of this state which requires the suspension or revocation of his license, the department shall

(a) Suspend or revoke his license; and

(b) Suspend the registration of all vehicles registered in his name as owner.

(2) The department shall not suspend such registration unless otherwise required by law if such owner has previously given or immediately gives and thereafter maintains for a period of three years proof of financial responsibility with respect to all such vehicles registered by him as owner.

(3) The suspension or revocation shall remain in effect and the department shall not issue to such person any new or renewal

license to register or re-register any such vehicle in his name as owner, unless

(a) It is permitted under the motor vehicle laws of this state; and

(b) He gives and thereafter maintains for a period of three years proof of financial responsibility.

486.240 Loss of license and registration rights by person without license. If a person has no license, but by final order or judgment is convicted of or forfeits any bail or collateral deposited to secure an appearance for trial for any offense requiring the suspension or revocation of license, or for driving a motor vehicle upon the highways without being licensed to do so, or for driving an unregistered vehicle upon the highways, no license shall be thereafter issued to him and no motor vehicle shall continue to be registered or thereafter be registered in his name as owner unless he gives and thereafter maintains for a period of three years proof of financial responsibility.

486.245 Suspension of nonresident's operating privilege until proof given. Whenever the department suspends or revokes a nonresident's operating privilege by reason of a conviction or forfeiture of bail, such privilege shall remain so suspended or revoked unless he has previously given or immediately gives and thereafter maintains for a period of three years proof of financial responsibility

486.250 Suspension of license and registration following judgment. (1) Whenever any person fails within 60 days to satisfy any judgment rendered in a court of this state, the clerk of the court, or the judge if the court has no clerk, shall, immediately upon the written request of the judgment creditor or his attorney, forward to the department a certified copy of the judgment.

(2) Except as otherwise provided in ORS 483.285 to 483.295, upon receipt of a certified copy of a judgment, the department shall forthwith suspend the license and registration and any nonresident's operating privilege of any person against whom such judgment was rendered.

486.255 Return of license or registration to the department. Any person whose license or registration has been suspended, or whose policy of insurance or bond required under this chapter has been canceled or terminated, or who neglects to furnish other proof upon request of the department, shall immediately return his license and registration to the de-

partment. If any person fails to return to the department the license or registration, the department shall forthwith direct any peace officer to secure possession thereof and return it to the department

486.260 Transfer of registration or vehicle during suspension. When an owner's registration has been suspended, such registration shall not be transferred nor shall the vehicle for which it was issued be registered in any other name until the department is satisfied that such transfer of registration is proposed in good faith and not for the purpose or with the effect of defeating the purposes of this chapter. Nothing in this section shall affect the rights of any conditional vendor, chattel mortgagee or lessor of a vehicle registered in the name of another as owner who becomes subject to the provisions of this chapter

486.265 Notification of resident state when nonresident is judgment debtor. If the defendant named in any certified copy of a judgment reported to the department is a nonresident, the department shall transmit a certified copy of the judgment to the official in charge of the issuance of licenses and registrations of the state of which the defendant is a resident

486.270 Removal of suspension resulting from a judgment. When a license, registration or nonresident's operating privilege is suspended under ORS 486.250, it shall remain suspended and shall not be renewed, nor shall any such license or registration be thereafter issued in the name of the judgment debtor, including any such debtor not previously licensed, until

(1) (a) Every such judgment is satisfied in full or to the extent provided in ORS 486.280; or

(b) Five years have elapsed from the date of the recovery of such judgment; and

(2) The judgment debtor gives proof of financial responsibility subject to the exemptions stated in this chapter and maintains the same for a period of three years from the date of satisfaction of the judgment

486.275 Effect of discharge in bankruptcy. A discharge in bankruptcy following the rendering of any judgment shall not relieve the judgment debtor from any of the requirements of this chapter

486.280 When judgment deemed satisfied. (1) Every judgment shall for the pur-

pose of this chapter be deemed satisfied.

(a) When \$5,000 has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident.

(b) When, subject to the limit of \$5,000 as to one person, the sum of \$10,000 has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident.

(c) When \$1,000 has been credited upon any judgment or judgments rendered in excess of that amount for damage to or destruction of property of others as the result of any one accident.

(d) When the judgment creditor and the judgment debtor have mutually agreed upon a compromise settlement of the judgment.

(2) Payments made in settlement of any claims because of bodily injury, death or property damage arising from the accident shall be credited in reduction of the amounts provided for in this section.

486.285 License or registration not suspended when insurer bound to pay judgment.

(1) No license, registration or nonresident's operating privilege of any person shall be suspended under the provisions of ORS 486 250 if the department finds that an insurer is obligated to pay the judgment upon which the suspension is based, at least to the extent and for the amounts required in ORS 486 280, but has not paid the judgment for any reason.

(2) A finding by the department that an insurer is obligated to pay a judgment is not binding upon the insurer and has no legal effect whatever except for the purpose of administering this section.

(3) Whenever in any judicial proceedings it is determined by any final judgment, decree or order that an insurer is not obligated to pay any such judgment, the department, notwithstanding any contrary finding theretofore made by it, shall forthwith suspend the license and registration and any nonresident's operating privilege of any person against whom such judgment was rendered.

486.290 Suspension may be terminated when judgment creditor consents. If the judgment debtor furnishes proof of financial responsibility for the future, and if the judgment creditor consents in writing in such form as the department may prescribe, the department may allow the judgment debtor to

have or retain his license and registration or nonresident's operating privilege for six months from the date of the consent and thereafter until the consent is revoked in writing, notwithstanding default in the payment of such judgment or of any instalments thereof which the debtor may have agreed to pay.

486.295 Suspension removed following order permitting payment of judgment in instalments. (1) A judgment debtor upon due notice to the judgment creditor may apply to the court in which the judgment was rendered for the privilege of paying it in instalments, and the court, without prejudice to any other legal remedies which the judgment creditor may have, may so order and fix the amounts and times of payment of the instalments.

(2) The department shall not suspend a license, registration or nonresident's operating privilege, and shall restore any license, registration or nonresident's operating privilege suspended following nonpayment of a judgment, when the judgment debtor gives proof of financial responsibility and obtains an order permitting the payment of such judgment in instalments, and while the payment of any instalment is not in default.

(3) In the event the judgment debtor fails to pay any instalment as specified by such order, upon notice of such default the department shall forthwith suspend the license, registration or nonresident's operating privilege of the judgment debtor until such judgment is satisfied, as provided in this chapter.

486.300 Using vehicles during suspension prohibited. No person, during the period that his license, registration or nonresident's operating privilege has been suspended or revoked under this chapter, shall drive any motor vehicle upon any highway or knowingly permit any vehicle of a type subject to registration under the laws of this state owned by him to be operated by another upon any highway, except as permitted under this chapter.

486.305 to 486.400 [Reserved for expansion]

**PROOF OF FINANCIAL RESPONSIBILITY
GENERALLY**

486.405 Necessity of filing proof. (1) Proof of financial responsibility shall be filed on behalf of each person whose license or registration is suspended under the provisions of

this chapter in the manner and in the amounts provided in this chapter.

(2) No vehicle shall be or continue to be registered in the name of any person required to file proof of financial responsibility unless such proof is furnished for such vehicle.

486.410 Methods of filing proof. Proof of financial responsibility, when required under this chapter, may be given by filing.

(1) A certificate of insurance as provided in ORS 486.505,

(2) A bond or a certificate of deposit of money as provided in ORS 486.605 and 486.620; or

(3) Evidence that the person required to furnish proof holds a valid certificate of self-insurance issued by the department as provided in ORS 486.440, if the self-insurer has agreed in writing to pay the same amounts with respect to accidents occurring while the certificate is in force that an insurer would be obliged to pay under an owner's motor vehicle liability policy if it had issued such a policy to him.

486.415 Proof furnished for employee or relative. The owner of a motor vehicle may give proof of financial responsibility on behalf of his employee or a member of his immediate family or household in lieu of the furnishing of proof by such person. The furnishing of such proof permits such person to operate only a motor vehicle covered by the proof, and the department shall indorse appropriate restrictions on the face of his license

486.420 Substituting proof. At the request of the person who has filed proof of financial responsibility, it shall be returned to him upon his substituting other adequate proof of financial responsibility

486.425 Furnishing new proof when proof is inadequate. Whenever any proof of financial responsibility no longer fulfills the purposes for which required, the department shall require the furnishing of other proof meeting the requirements of this chapter. If such proof is not so furnished the department shall suspend the license and registration or the nonresident's operating privilege of the person required to furnish it

486.430 When filing of proof is waived. (1) Proof of financial responsibility shall be returned to the person entitled thereto and the requirement of the filing thereof shall be waived:

(a) In the event of the death of the person on whose behalf such proof was filed; or

(b) In the event the person surrenders his license and registration to the department

(2) The department shall not release or waive such proof if any action for damages which may result in a judgment is then pending, nor in the event any judgment is outstanding and unsatisfied. An affidavit of the applicant of the nonexistence of such facts is sufficient evidence thereof in the absence of evidence to the contrary in the records of the department.

(3) If the department has released or waived any proof upon behalf of a person who has surrendered his license and registration and such person thereafter applies for a license or registration, the application shall be refused unless the applicant reestablishes such proof.

486.435 General requirements for bond or policy used for proof. No policy or bond shall be effective under this chapter unless:

(1) Such policy or bond complies with all requirements of this chapter and is issued by an insurance company or surety company authorized to do business in this state, except as set forth in subsection (3) of this section and in ORS 486.520 and 486.605.

(2) Such policy or bond is subject to a limit, exclusive of interest and costs, of not less than:

(a) \$5,000 because of bodily injury to or death of one person in any one accident;

(b) Subject to that limit for one person, \$10,000 because of bodily injury to or death of two or more persons in any one accident; and

(c) \$1,000 because of injury to or destruction of property of others in any one accident.

(3) With respect to any vehicle which was not registered in this state or was registered elsewhere than in this state at the effective date of the policy or bond or the most recent renewal thereof, the insurance company or surety company issuing the policy or bond is authorized to do business in this state, or if not authorized to do business in this state, unless it shall execute a power of attorney authorizing the commissioner to accept service on its behalf of notice or process in any action upon such policy or bond arising out of an accident

486.440 Self-insurance as proof. (1) The department may, upon the application of any person in whose name more than 25 motor

vehicles are registered, issue a certificate of self-insurance when it is satisfied that the applicant is possessed and will continue to be possessed of ability to pay judgments obtained against him. Such certificate may be issued authorizing a person to act as a self-insurer for either property damage or bodily injury or both.

(2) Any person duly qualified under the laws of this state or the ordinances of any city, city and county, or county of this state to act as self-insurer and then acting as such shall, upon filing with the department satisfactory evidence thereof along with such application as may be required by the department, be entitled to receive a certificate of self-insurance.

(3) Upon not less than five days' notice and a hearing pursuant to such notice, the department may upon reasonable grounds cancel a certificate of self-insurance. Failure to pay any judgment within 30 days after it has become final shall constitute a reasonable ground for the cancelation of a certificate of self-insurance.

486.445 to 486.500 [Reserved for expansion]

INSURANCE POLICY AS EVIDENCE OF RESPONSIBILITY

486.505 Certificate by insurance company as proof. (1) Proof of financial responsibility may be furnished by filing with the department the written certificate of any insurance carrier duly authorized to do business in this state, certifying that there is in effect a motor vehicle liability policy for the benefit of the person required to furnish such proof.

(2) Every such certificate shall give the effective date of the motor vehicle liability policy, which date shall be the same as the effective date of the certificate, and shall designate by explicit description or by appropriate reference all vehicles covered thereby, unless the policy is issued to a person with respect to any vehicle he operates or to a person who is not the owner of a motor vehicle.

486.510 Vehicle coverage required in certificate. The department shall not accept any certificate unless it covers all motor vehicles registered in the name of or operated by the person furnishing such proof, except vehicles in storage, the current license plates and registration cards for which have been surrendered to the department.

486.515 Notice of policy cancelation. (1) Every certificate issued pursuant to ORS 486.505 shall certify that the motor vehicle liability policy therein described shall not be canceled except upon 10 days' prior notice to the department.

(2) This section does not apply in respect to a motor vehicle liability policy subsequently procured and certified, which on the effective date of its certification may operate to terminate the insurance previously certified with respect to any vehicle designated in both certificates.

486.520 When certificate of carrier not authorized to do business in this state is acceptable. (1) Except as provided in subsection (2) of this section, the department shall not accept a certificate filed by an insurance carrier who is not authorized to transact business in this state unless:

(a) The carrier executes a power of attorney authorizing the commissioner to accept service on its behalf of notice or process in any action arising out of a motor vehicle accident in this state; and

(b) The carrier agrees in writing that such policy shall be deemed to conform with the laws of this state relating to the terms of motor vehicle liability policies.

(2) A nonresident may give proof of financial responsibility by filing with the department a written certificate of an insurance carrier authorized to transact business in the state in which the vehicle owned by such nonresident is registered, or in the state in which he resides if he does not own a vehicle, if the certificate otherwise conforms with ORS 486.505 to 486.565.

(3) If any insurance carrier not authorized to transact business in this state, which has qualified to furnish proof of financial responsibility, defaults in any of its undertakings or agreements, the department shall not thereafter accept as proof any certificate of such carrier whether theretofore filed or thereafter tendered as proof, so long as such default continues.

486.525 Owner's and operator's policies as proof. A person required to furnish proof of financial responsibility who.

(1) Is the owner of one or more motor vehicles may, for the purposes of this chapter, obtain an owner's policy of liability insurance which covers all motor vehicles owned by him.

(2) Is not the owner of a motor vehicle may, for the purposes of this chapter, obtain

an operator's policy of liability insurance conforming with the provisions of ORS 486.535.

486.530 Owner's policy requirements. Unless the policy is issued with respect to any vehicle operated by an owner, every owner's policy of liability insurance shall designate by explicit description or by appropriate reference all vehicles with respect to which coverage is thereby intended to be granted and shall insure the person named therein and any other person, as insured, using any such vehicles 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, operation, maintenance or use of such vehicles within the United States or the Dominion of Canada, subject to the limits set forth in subsection (2) of ORS 486.435

486.535 Operator's policy requirements. An operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability set forth in ORS 486.530

486.540 Contents of vehicle liability policy. Every motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period, and the limits of liability, and shall contain an agreement or indorsement which provides that the insurance is provided thereunder in accordance with the coverage defined in this chapter as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this chapter

486.545 Liabilities which need not be covered. A motor vehicle liability policy need not insure any liability under any workmen's compensation law; nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the operation, maintenance or repair of a vehicle; nor any liability for damage to property owned by, rented to, in charge of, or transported by the insured.

486.550 When insurer's liability accrues; nonforfeiture provisions. The liability of an insurance carrier with respect to the insurance required by this chapter shall become absolute whenever injury or damage covered

by the motor vehicle liability policy occurs. The policy may not be canceled or annulled as to such liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage. No statement made by the insured or on his behalf and in violation of the policy shall defeat or void the policy.

486.555 General provisions governing liability policies. Every motor vehicle liability policy shall be subject to the following provisions which need not be contained therein:

(1) The policy, the written application therefor, if any, and any rider or indorsement which does not conflict with the provisions of this chapter shall constitute the entire contract between the parties

(2) The satisfaction by the insured of a judgment for injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of such injury or damage.

(3) Any binder issued pending the issuance of a motor vehicle liability policy shall be deemed to fulfill the requirements for such a policy.

486.560 Insurer's right to provide for reimbursement and proration and to settle claims. (1) Any motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this chapter

(2) Any motor vehicle liability policy may provide for the prorating of the insurance thereunder with other valid and collectible insurance

(3) The insurance carrier shall have the right to settle any claim covered by the policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in respect to a motor vehicle liability policy.

486.565 Excess coverage permitted; combining policies to meet requirements. (1) Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the required coverage, and such excess or additional coverage shall not be subject to the provisions of this chapter. With respect to a policy which grants such excess or additional coverage the term "motor vehicle liability policy" shall apply only to that part of the coverage which is required by this chapter.

(2) The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers which policies together meet such requirements.

486.570 to 486.600 [Reserved for expansion]

BOND OR STATE TREASURER'S CERTIFICATE AS PROOF

486.605 Bond as evidence of responsibility. (1) Proof of financial responsibility may be evidenced by the bond of a surety company duly authorized to do business within this state or a bond with at least two individual sureties each owning real estate within this state, and together having equities equal in value to at least twice the amount of the bond, which real estate shall be scheduled in the bond. The bond shall be conditioned for payment of the amounts required to establish proof of financial responsibility as provided in ORS 486.435.

(2) The department shall not accept any such bond unless it is approved by a judge of a court of record. The bond shall be filed with the department and shall not be cancellable except after 10 days' written notice to the department.

486.610 Lien on land of surety. Every bond filed as provided in ORS 486.605 shall constitute a lien in favor of the state upon the real estate so scheduled of any surety, which lien shall exist in favor of any holder of a final judgment against the person who has filed such bond, resulting from a cause of action which accrued after such bond was filed, upon the filing of notice to that effect by the commissioner in the office of the proper clerk of the court of the county or city where such real estate is located.

486.615 Action on bond. If a judgment covered by the conditions of a bond is rendered against the principal on the bond and is not satisfied within 60 days after it has become final, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action in the name of the state against the surety on the bond, including an action or proceeding to foreclose any lien that may exist upon the real estate of a surety.

486.620 Treasurer's certificate as evidence of responsibility. Proof of financial responsibility may be evidenced by the certificate of the State Treasurer that the person

named therein has deposited with him \$11,000 in cash, or securities such as may legally be purchased by savings banks or for trust funds of a market value of \$11,000. The State Treasurer shall not accept any such deposit and issue a certificate therefor and the department shall not accept such certificate unless the deposit is accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the county where he resides.

486.625 Acquisition of deposit by creditors of depositor. A deposit of money or securities shall be held by the State Treasurer to satisfy, in accordance with this chapter, any execution on a judgment issued against the person making the deposit, resulting from a cause of action which accrued after such deposit was made. Money or securities so deposited shall not be subject to attachment or execution unless such attachment or execution arises out of a cause of action coming within the scope of this chapter.

486.630 to 486.985 [Reserved for expansion]

PENALTIES

486.990 Penalties. (1) Violation of any provision of this chapter for which no penalty is otherwise provided is punishable, upon conviction, by a fine of not more than \$500 or imprisonment in the county jail for not more than 90 days, or both.

(2) Violation of ORS 486.105 to 486.115 is punishable, upon conviction, by a fine not exceeding \$100.

(3) Violation of ORS 486.300 is punishable upon conviction by a fine of not more than \$500 or imprisonment in the county jail not exceeding six months, or both.

(4) Any person who gives information in any report required by this chapter, knowing or having reason to believe that such information is false, or who forges, or, without authority, signs any evidence of proof of financial responsibility, or who files or offers for filing any such evidence of proof knowing or having reason to believe that it is forged or signed without authority, shall be fined not more than \$1,000 or imprisoned in the county jail for not more than one year, or both.

(5) Any person wilfully failing to return the license or registration as required in ORS 486.255 shall be fined not more than \$500 or imprisoned in the county jail not to exceed 30 days, or both.

