

# Chapter 806

1989 EDITION

## Financial Responsibility Law

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**OREGON VEHICLE CODE**

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## GENERALLY

**806.010 Driving uninsured prohibited; penalty.** (1) A person commits the offense of driving uninsured if the person operates a motor vehicle that is registered in this state on any highway or premises open to the public in this state without either:

(a) The person being insured while driving the vehicle under a motor vehicle liability insurance policy that meets the requirements described under ORS 806.080; or

(b) The person or the owner of the vehicle being in compliance with the financial responsibility requirements of this state.

(2) Exemptions from this section are established under ORS 806.020.

(3) In addition to other penalties under this section the following apply:

(a) A person who is involved in a motor vehicle accident at any time the person is in violation of this section is subject to suspension of the person's driving privileges under ORS 809.410.

(b) A person who is convicted of violating this section is subject to ORS 806.230, if the person does not make future responsibility filings as required by that section.

(4) A person convicted for violation of this section must file with the division, and thereafter maintain for a period of three years, proof of financial responsibility that complies with ORS 806.060. Failure to comply with this subsection is subject to ORS 809.410.

(5) The offense described in this section, driving uninsured, is a Class B traffic infraction. [1983 c 338 §837; 1985 c 16 §422, 1985 c 714 §1]

**806.020 Exemptions from financial responsibility requirements.** This section provides exemptions from the necessity for compliance with or proof of compliance with financial responsibility requirements in accident reports under ORS 811.725, when applying for vehicle registration under ORS 803.460 and for operating a vehicle under ORS 806.010. The owner or operator of a vehicle is exempt, as provided by this section, from financial responsibility requirements if the vehicle involved in the accident, sought to be registered or operated is any of the following:

(1) An antique motor vehicle issued permanent registration under ORS 805.010.

(2) A farm trailer.

(3) A farm tractor.

(4) An implement of husbandry.

(5) A motor vehicle of special interest that is maintained as a collector's item and

used for exhibitions, parades, club activities and similar uses, but not used primarily for the transportation of persons or property.

(6) A snowmobile, Class I or Class III all-terrain vehicle.

(7) Any motor vehicle when the owner of the vehicle has submitted to the division a signed statement, in such form as may be required by the division, declaring that the vehicle is continuously not being operated on the highways of this state and explaining the reasons therefor. A person who falsely certifies under this subsection is subject to penalty under ORS 806.030. [1983 c.338 §838, 1985 c.16 §423; 1987 c 217 §4, 1989 c 991 §32]

**806.030 False certification of exemption from financial responsibility; penalty.** (1) A person commits the offense of false certification of exemption from financial responsibility if the person declares under ORS 806.020 that a vehicle is continuously not being operated on the highways of this state and the person knows or has reason to believe that such information is false.

(2) The offense described in this section, false certification of exemption from financial responsibility, is punishable by a fine of not more than \$1,000 or imprisonment in the county jail for not more than one year or both. [1983 c.338 §839]

**806.040 Judgments for which financial responsibility requirements established.** Financial responsibility requirements are designed to provide for minimum payment of judgments of the type described in this section. When ORS 806.090, 806.100, 806.110, 806.130, 806.140, 806.255, 806.260, 809.020, 809.130 or 809.470 refer to judgments of the type described in this section, the reference is to a judgment that meets all of the following requirements:

(1) It must have become final by expiration, without appeal, of the time within which an appeal might have been perfected or by final affirmation on appeal.

(2) It must be rendered by a court of competent jurisdiction of any state or of the United States.

(3) It must be upon a cause of action for damages of the type described under subsection (4) of this section or upon a cause of action on an agreement of settlement for such damages.

(4) It must be for one or more of the following kinds of damage arising out of a motor vehicle accident on public or private property:

(a) Damages, including damages for care and loss of services, because of bodily injury to or death of any person.

(b) Damages because of injury to or destruction of property, including the loss of use thereof. [1983 c.338 §840; 1985 c.16 §424, 1987 c.258 §1]

**806.050 Falsification of financial responsibility; penalty.** (1) A person commits the offense of falsification of financial responsibility if the person does any of the following:

(a) Forges or, without authority, signs any evidence of proof of compliance with financial responsibility requirements.

(b) Files or offers for filing any evidence of proof of compliance with financial responsibility requirements knowing or having reason to believe that the proof is forged or signed without authority.

(c) Knowingly certifies falsely to the existence of motor vehicle liability insurance meeting the requirements under ORS 806.080 or some other means of satisfying the financial responsibility requirements or making a financial responsibility filing.

(2) A denial of coverage, signed by an officer or agent of an insurer, returned to the division after inquiry from the division as to the accuracy of a certification of the existence of liability insurance under ORS 806.150 or 811.725 is prima facie evidence of false certification.

(3) Any person convicted of knowingly certifying falsely to the existence of motor vehicle liability insurance or to the existence of some other means of satisfying the financial responsibility requirements shall be imprisoned for no less than three consecutive days. In no case shall the execution of the punishment imposed by this section be suspended by the court, nor shall any person subject to such punishment be granted probation by the court.

(4) A person who is convicted for violation of this section is subject to ORS 806.230 if the person does not make future responsibility filings as required by that section.

(5) The offense described in this section, falsification of financial responsibility, is a Class B misdemeanor except that violation of paragraph (c) of subsection (1) of this section is a Class A misdemeanor. [1983 c.338 §841, 1985 c.16 §425, 1985 c.393 §62]

## REQUIREMENTS (General)

**806.060 Methods of compliance.** A person who is required to comply with the financial responsibility requirements of this state must be able to respond in damages, in amounts required under this section, for liability on account of accidents arising out of

the ownership, operation, maintenance or use of motor vehicles and must establish that ability by one of the methods required by this section. All of the following apply to the financial responsibility requirements of this state:

(1) To meet the financial responsibility requirements, a person must be able to respond in damages in amounts not less than those established under the payment schedule under ORS 806.070.

(2) A person may only comply with the financial responsibility requirements of this state by establishing the required ability to respond in damages in one of the following ways:

(a) Obtaining a motor vehicle liability policy meeting the requirements under ORS 806.080 that will provide at least minimum limits necessary to pay amounts established under the payment schedule under ORS 806.070.

(b) Maintaining a bond of the type described in ORS 806.090 of at least the value of \$60,000.

(c) Making a deposit under ORS 806.120 of at least \$60,000 in cash or appropriate securities.

(d) Becoming self-insured as provided under ORS 806.130. [1983 c.338 §842; 1985 c.16 §426]

### **806.070 Minimum payment schedule.**

(1) This section establishes a schedule of payments for the following purposes:

(a) An insurance policy described under ORS 806.080 must provide for payment of at least amounts necessary to cover the minimum required payments under this section to qualify for use for financial responsibility under ORS 806.060.

(b) A deposit under ORS 806.110 is subject to payment limits according to the schedule of payments established by this section.

(c) A bond under ORS 806.090 is subject to payment limits according to the schedule of payments established by this section.

(d) A person who is self-insured under ORS 806.130 must agree to pay according to the payment schedule established by this section.

(e) The payment schedule is the minimum required payment of a judgment for purposes of ORS 809.020, 809.130 and 809.410.

(2) The schedule of payments is as follows:

(a) \$25,000 because of bodily injury to or death of one person in any one accident;

(b) Subject to that limit for one person, \$50,000 because of bodily injury to or death

of two or more persons in any one accident; and

(c) \$10,000 because of injury to or destruction of the property of others in any one accident. [1983 c.338 §843; 1985 c.16 §427]

**806.075 Insurance requirements for person convicted of driving under the influence of intoxicants.** Notwithstanding any other provision of this chapter, a person convicted of driving under the influence of intoxicants under ORS 813.010 is subject to the following requirements for the method of complying with and the amounts needed to meet financial responsibility requirements and for the duration of future responsibility filings:

(1) The person must have a certificate or certificates of insurance that meet the requirements of ORS 806.080 and 806.270 except that the certificate or certificates must show that the person is covered by insurance that provides at least:

(a) \$50,000 because of bodily injury to or death of one person in any one accident;

(b) Subject to that limit for one person, \$100,000 because of bodily injury to or death of two or more persons in any one accident; and

(c) \$10,000 because of injury to or destruction of the property of others in any one accident.

(2) The person must maintain future responsibility filings showing insurance coverage in the amounts specified in subsection (1) of this section for a period of three years from the date that the first filing is required. [1987 c.774 §95]

#### (Insurance)

**806.080 Insurance.** A motor vehicle liability insurance policy used to comply with financial responsibility requirements under ORS 806.060 must meet all of the following requirements:

(1) It must be a policy or part of a policy designating, by explicit description or by appropriate reference, all motor vehicles for which coverage is provided by the policy and insuring the named insured and all other persons insured under the terms of the policy against loss from the liabilities imposed by law for damages arising out of the ownership, operation, use or maintenance of those motor vehicles.

(2) It must provide the minimum limits of coverage required under ORS 806.070.

(3) The requirements for the insurance may be fulfilled by the policies of one or more insurance carriers which policies together meet such requirements. [1983 c.338 §844]

#### (Bond)

**806.090 Bond.** A bond used to comply with financial responsibility requirements under ORS 806.060 must meet all of the following requirements:

(1) The bond must be in the amount required by ORS 806.060.

(2) The bond must be approved by a judge of a court of record in this state.

(3) The bond must contain a provision that it cannot be canceled except upon the giving of 10 days prior written notice to the division.

(4) The bond must be provided by either of the following:

(a) A surety company.

(b) Two persons who are residents of Oregon and who each own real property in this state having together equities at least of the value required for the bond under ORS 806.060.

(5) If the bond is provided by real property owners in this state, the bond must contain a schedule of the real property owned by each of the sureties that will be used to meet the financial responsibility requirements of this state.

(6) The bond must be conditioned for paying in behalf of the principal, the limits of financial responsibility requirements.

(7) Bonds must be conditioned to pay, on behalf of the principal, judgments of the type described in ORS 806.040 and to be subject to action under ORS 806.100.

(8) Bonds are subject to any rules adopted by the division relating to the bonds.

(9) Bonds are subject to payment limits under the schedule of payments under ORS 806.070. [1983 c.338 §845]

**806.100 Action against bond.** (1) If a judgment described under ORS 806.040 is rendered against the principal on a bond described under ORS 806.060 and 806.090 and is not settled as described in ORS 809.470 within 60 days after it has become final, a judgment creditor, for the judgment creditor's own use and benefit and at the judgment creditor's sole expense, may bring an action against any surety on the bond. An action brought under this section must be brought in the name of the state. An action under this section may include any action or proceeding to foreclose any lien established upon the real estate of a surety under ORS 806.090.

(2) For purposes of this section, a judgment is satisfied if any of the following occur:

(a) When payments in the amounts established by the payment schedule under ORS 806.070 have been credited upon any judgment or judgments rendered in excess of those amounts.

(b) When judgments rendered for less than the amounts established under ORS 806.070 have been satisfied.

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

(d) When the judgment against the judgment debtor has been discharged in bankruptcy. [1983 c.338 §846, 1985 c 16 §428]

### (Deposit)

#### 806.110 Deposit with State Treasurer.

A deposit that is used to comply with financial responsibility requirements under ORS 806.060 is subject to all of the following:

(1) The deposit must be either cash in the amount required under ORS 806.060 or securities such as may be legally purchased by fiduciaries or for trust funds of a market value in the amount required under ORS 806.060.

(2) The deposit must be made with the State Treasurer.

(3) The deposit is subject to being used by the State Treasurer, as described under ORS 806.120, to satisfy any execution on a judgment of a type described under ORS 806.040 that is against the person making the deposit and that results from a cause of action which accrued after the deposit was made.

(4) While deposited with the State Treasurer, the moneys or securities in the deposit are not subject to attachment or execution unless the attachment or execution arises out of a judgment described under ORS 806.040 that is against the person making the deposit and that results from a cause of action which accrued after the deposit was made.

(5) The deposit is subject to any rules adopted by the division relating to the deposit.

(6) Payments from deposits are subject to the limits under schedule of payments in ORS 806.070. [1983 c 338 §847]

**806.120 Duties of State Treasurer.** The State Treasurer shall exercise the authority described in this section over deposits filed with the State Treasurer under ORS 806.110 to comply with financial responsibility requirements. The State Treasurer:

(1) Shall not accept the deposit unless it meets the requirements under ORS 806.110.

(2) Shall hold the deposit subject to the conditions under ORS 806.110 and any conditions established on the deposit by the division by rule and shall use the deposit to satisfy judgments to which the deposit is subject under ORS 806.110.

(3) If requested to issue a certificate of deposit for purposes of future responsibility filings under ORS 806.240, shall only issue a certificate of deposit if the deposit meets the requirements under ORS 806.110 and if the deposit is accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the county where the depositor resides. [1983 c 338 §848, 1985 c.16 §429]

### (Self-insurance)

**806.130 Self-insurance.** To qualify as a self-insurer for purposes of financial responsibility requirements under ORS 806.060, a person must do all of the following:

(1) Apply to the division and be issued by the division a certificate of self-insurance under ORS 806.140.

(2) Either:

(a) Establish to the satisfaction of the division that the person is possessed and will continue to be possessed of the ability to pay and discharge judgments described under ORS 806.040 that might be obtained against the applicant; or

(b) Be duly qualified under the laws of the State of Oregon or under an ordinance of a city of this state to act as a self-insurer and be acting as such.

(3) Agree to pay the same amounts with respect to an accident occurring while the certificate is in force that an insurer would be obligated to pay under a motor vehicle liability insurance policy, including uninsured motorist coverage and liability coverage to at least the limits specified in ORS 806.070.

(4) Have more than 25 motor vehicles including commercial busses registered in the person's name. [1983 c.338 §849, 1985 c 16 §430]

**806.140 Certificate; issuance; cancellation.** (1) The division shall issue a certificate of self-insurance for purposes of financial responsibility requirements under ORS 806.060 and future responsibility filings under ORS 806.240 to any person who qualifies under ORS 806.130.

(2) The division may cancel a certificate of self-insurance issued under this section upon reasonable grounds. Failure to pay any judgment described under ORS 806.040 within 30 days after it has become final constitutes reasonable grounds for cancellation under this subsection. The division shall give not less than five days' notice and a hearing

pursuant to such notice before the division may cancel under this subsection. [1983 c 338 §850]

### ENFORCEMENT

**806.150 Division verification program; random sample; procedure.** The division shall provide a program of verification of compliance with financial responsibility requirements under ORS 803.460 and 806.010. The program established by the division under this section shall comply with all of the following:

(1) The verification shall be based on motor vehicles registered in this state.

(2) The division may select vehicles for verification at various times it considers necessary or appropriate but shall annually select for verification not more than 10 percent of the motor vehicles registered in this state.

(3) Selection shall be on a random sample basis. In addition, however, the division is authorized to emphasize, in accordance with rules it adopts, verification of individuals who have been convicted of violating ORS 806.010 whose certifications of compliance with financial responsibility requirements have been previously found to be incorrect or who the division has reasonable grounds to believe are not in compliance with financial responsibility requirements.

(4) When a vehicle is selected for verification under this section, the division shall mail a letter and certification form described under ORS 806.180 to the registered owner of the vehicle notifying the owner that the vehicle has been selected for verification and requiring the owner to respond within 30 days and certify that the owner is in compliance with financial responsibility requirements as of the date of the letter.

(5) Failure of an owner either to return the certification of compliance with financial responsibility requirements to the division within 30 days after mailing by the division or to certify compliance as of the date of the letter, or a determination by the division that a certification is not accurate constitutes reasonable grounds for the division to proceed with a demand for verification under ORS 806.160.

(6) The division shall investigate all certifications returned to the division under this section as follows:

(a) If the owner certifies the existence of insurance described under ORS 806.080, the division shall forward the certification to the listed insurer to determine whether the certification is correct. An insurer shall notify the division if the certification is not correct.

(b) The division may also determine the correctness of certifications of other means of satisfying financial responsibility requirements for the vehicle.

(7) No civil liability shall accrue to the insurer or any of its employees for reports made to the division under this section when the reports are made in good faith based on the most recent information available to the insurer. [1983 c 338 §851; 1985 c.16 §431; 1985 c.714 §2; 1987 c 158 §165]

**806.160 Demand for proof of compliance; when authorized; report to district attorney.** (1) The division shall demand a person to provide the division, within 30 days after the date of the mailing of the demand, with satisfactory proof that the person is in compliance with the financial responsibility requirements as of the date of the letter from the division under ORS 806.150 if the division has reasonable grounds to believe that the person was or is violating any of the following, whether or not the person has been convicted of the violation:

(a) Driving uninsured under ORS 806.010.

(b) Falsification of financial responsibility under ORS 806.050.

(2) If the person cannot provide the required proof within the required time:

(a) The person is subject to the requirements under ORS 806.220; and

(b) The division shall also notify the district attorney of the county in which the person resides of the division's belief that the person was or is committing violations of ORS 806.010 and 806.050.

(3) No civil liability shall accrue to the division or any of its employees for reports made to a district attorney under this section. [1983 c.338 §852; 1985 c.714 §3]

**806.170 Division check on financial certification on accident reports.** The division shall investigate all certifications of compliance with financial responsibility requirements made on reports of accidents under ORS 811.725 and 811.730. The division shall contact the insurers listed on the certifications to determine whether each certification is accurate. If the certification is not correct, an insurer shall so notify the division. [1983 c 338 §853]

**806.180 Form when proof of compliance required.** A person who is required, under ORS 803.460 or 811.725, to complete a form giving proof of compliance with financial responsibility requirements shall comply with the following:

(1) The form used shall be a form prescribed by the division under ORS 802.040.

(2) The applicant shall provide on the form any information that the division requires.

(3) If the person certified the existence of a motor vehicle liability insurance policy described under ORS 806.080, the person shall report at least the following information on the form:

(a) The name of the insurer issuing the policy; and

(b) The policy number, agent's binder number or any other number that identifies the policy. [1983 c.338 §854, 1985 c.714 §4; 1987 c.158 §166]

**806.190 Insurance carrier or agent report of person involved in accident who is in violation of ORS 806.010; civil liability.** (1) Every insurance carrier or insurance agent that issues property and casualty insurance policies, as defined in ORS chapter 731, in this state shall report to the division any person the carrier or agent has reason to believe is involved in an accident while the person is operating a vehicle in violation of ORS 806.010. The carrier or agent shall make the report required by this section whether or not the accident:

(a) Is a reportable accident under ORS 811.720; or

(b) Occurred on a highway or on any other public or private property.

(2) No civil liability shall accrue to a carrier or agent or any of its employees for reports made to the division under this section when the reports are made in good faith. [Formerly 486.097 and then 743.774]

#### FUTURE RESPONSIBILITY FILINGS

**806.200 Failure to file after accident; penalty.** (1) A person commits the offense of failure to make a future responsibility filing after an accident if the person is the owner or driver of a vehicle that is in any manner involved in an accident that is required to be reported under ORS 811.720 and the person does not make a future responsibility filing within 30 days after the filing of the accident report required under ORS 811.725.

(2) Exemptions from this section are established under ORS 806.210.

(3) The employer of a driver is subject to the requirements and penalties under this section if the driver is an employee exempted from this section under ORS 806.210. If an employer is subject to this section, the registration of the employer's vehicles may be suspended as provided under ORS 809.050.

(4) In addition to any other penalties under this section, violation of this section subjects the violator to suspension of driving privileges as provided under ORS 809.410.

(5) The offense described in this section, failure to make a future responsibility filing after an accident, is a Class B traffic infraction. [1983 c.338 §855; 1985 c.393 §63]

**806.210 Exemption from requirement to file after accident.** As appropriate, the driver or the owner, or both, are exempt from the requirement under ORS 806.200 to make a future responsibility filing if the person claiming exemption furnishes to the division proof of any of the following:

(1) At the time of the accident the driver was operating a vehicle owned by or leased to and operated under the direction of the United States of America, this state or any municipality or subdivision thereof.

(2) At the time of the accident the vehicle was lawfully parked.

(3) 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 financial responsibility requirements.

(4) The owner of the vehicle involved in the accident was a self-insurer under ORS 806.130.

(5) The vehicle involved in the accident was being operated under a permit issued by the Public Utility Commission of Oregon.

(6) At the time of the accident the owner's vehicle was being operated without the owner's permission, expressed or implied, or was parked by a person who had been operating such vehicle without the owner's permission unless the vehicle at the time of its taking had been left unattended in a condition prohibited by a regulation or ordinance designed to prevent the operation of vehicles by unauthorized persons. This subsection only exempts owners of vehicles who qualify.

(7) At the time of the accident, the driver was operating a vehicle owned, operated or leased by the driver's employer with the permission of that employer. This subsection only exempts drivers of vehicles. Owners remain subject as provided under ORS 806.200. [1983 c.338 §856]

**806.220 Failure to file after failing verification; penalty.** (1) A person commits the offense of failure to make future responsibility filing after failing verification if the person:

(a) Is unable to provide satisfactory proof of compliance with financial responsibility requirements as of the date of the letter of verification from the division under ORS 806.150 upon the demand of the division under ORS 806.160 within the time required by that section; and

(b) Does not, within 60 days after the date of the mailing of the demand by the division under ORS 806.160, make a future responsibility filing.

(2) The offense described in this section, failure to make future responsibility filing after failing verification, is a Class B traffic infraction. [1983 c.338 §857; 1985 c.393 §64, 1985 c.714 §5]

**806.230 Failure of previous violator to file.** (1) A person commits the offense of failure of a previous violator to make a future responsibility filing if the person is convicted of a violation of ORS 806.010 or 806.050 and the person does not make a future responsibility filing within 30 days after the conviction.

(2) In addition to any other penalties under this section, a violator of this section is subject to suspension of driving privileges under ORS 809.410.

(3) The offense described in this section, failure of a previous violator to make future responsibility filing, is a Class A traffic infraction. [1983 c.338 §858, 1985 c.393 §65]

**806.240 What constitutes proof of compliance; filing for another; failure of proof to meet requirements.** Future responsibility filings required by ORS 806.200, 806.220 or 806.230 or by any other law of this state are subject to all of the following:

(1) The person required to make the filing must file, or have filed for the benefit of the person, proof that meets the requirements of this section and must maintain the proof as long as required under ORS 806.245.

(2) The proof given for a future responsibility filing must be one or more of the following proofs that the person is in compliance with financial responsibility requirements:

(a) A certificate or certificates of insurance that meet the requirements under ORS 806.270.

(b) A valid certificate of self-insurance issued by the division under ORS 806.130.

(c) A bond meeting the requirements described under ORS 806.090. Upon receipt of a bond as a future responsibility filing under this paragraph, the division, if appropriate, shall file the bond under ORS 806.260 to perfect any lien established under that section.

(d) A certificate of deposit issued by the State Treasurer under ORS 806.120. The division shall not accept a certificate under this paragraph unless the deposit is accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the county where the depositor resides.

(3) The owner of a motor vehicle may make a future responsibility filing under this section on behalf of the owner's employee or a member of the owner's immediate family or household in lieu of the filing being made by such person. Filing under this subsection permits the person on whose behalf the filing is made to operate only a motor vehicle covered by the proof given in the filing. The division shall indorse restrictions, as appropriate, on any license or driver permit the person holds as the division determines necessary to limit the person's ability to operate vehicles consistent with this subsection.

(4) At the request of a person who has made a future responsibility filing under this section, the division shall return the proof filed upon the substitution of other adequate proof.

(5) Whenever proof filed under this section no longer meets the requirements of this section, the division shall require the furnishing of other proof for the future responsibility filing. If such other proof is not so furnished, the division shall suspend the driving privileges of the person as provided under ORS 809.410 or, if applicable, any registration as provided under ORS 809.050. [1983 c.338 §859, 1987 c.258 §2]

**806.245 Termination of future responsibility filing requirement; reasons.** A termination of the requirement to maintain a future responsibility filing does not remove a person's responsibility to comply with financial responsibility requirements. Except as provided in ORS 806.255, the division shall terminate requirements for a future responsibility filing when any of the following occurs:

(1) The person on whose behalf the filing was made dies.

(2) More than three years have passed from the date the filing was required.

(3) A person on whose behalf the filing was made requests termination and either:

(a) The person was required to file because of an error committed by the division; or

(b) The person was required to file because of an error committed by an insurance company in notifying the division regarding the correctness of a certification under ORS 806.150.

(4) A person who was required to file because of failure to respond to a division demand under ORS 806.160 requests termination and the division determines either:

(a) That the person was in fact in compliance with financial responsibility require-

ments as of the date of the division's letter of verification under ORS 806.150; or

✓ (b) That the person reasonably and in good faith believed that the person was in compliance with financial responsibility requirements on the date of the division's letter of verification.

(5) A person who was required to file because of failure to prove under ORS 806.210 that the person was in compliance with financial responsibility requirements requests termination and the division determines either:

(a) That the person was in fact in compliance with financial responsibility requirements at the time of the accident; or

(b) That the person reasonably and in good faith believed that the person was in compliance with financial responsibility requirements at the time of the accident. [1987 c.258 §4]

**806.250 Return of proof submitted for future responsibility filing.** (1) Subject to ORS 806.255, the division shall return any proof submitted for a future responsibility filing except a certificate of insurance described in ORS 806.270 to the person entitled thereto upon termination of the requirement for a future responsibility filing under ORS 806.245.

(2) Subject to ORS 806.255, the division shall return any proof submitted for a future responsibility filing except a certificate of insurance described in ORS 806.270 to the person entitled thereto if the person on whose behalf the proof was submitted surrenders to the division any license or driver permit held by the person or if the person is subject to suspension of registration under ORS 809.050 and surrenders to the division any such registration. If the division returns proof under this subsection, the requirement for the person to make future responsibility filings is not terminated and the division shall refuse any application for driving privileges or registration the person thereafter makes unless the person makes a future responsibility filing for the remainder of the three-year period. [1983 c.338 §860; 1985 c.16 §432; 1985 c.714 §9, 1987 c.158 §167, 1987 c.258 §5]

**806.255 Effect of pending action or unsatisfied judgment; affidavit.** The division shall not terminate any requirements under ORS 806.245 or return any proof under ORS 806.250 if any action for damages which may result in a judgment of a type described under ORS 806.040 is then pending nor in the event any such judgment is outstanding and unsatisfied. An affidavit of an applicant for termination or release stating the nonexistence of such facts is sufficient evidence

thereof in the absence of evidence to the contrary in the records of the division. An affidavit will not be required for a person who filed a certificate of insurance as described in ORS 806.270 during the period such proof was required. [1987 c.258 §7]

**806.260 Lien created by bond; filing of bond to perfect lien.** The State of Oregon shall have a lien upon any real property scheduled in a bond submitted for a future responsibility filing under ORS 806.240. The division shall perfect the lien by filing notice of the lien with the county clerk of the counties in which the real property is located. The lien shall exist in favor of any holder of a judgment described under ORS 806.040 that is against the person who is principal on the bond and that results from a cause of action that occurred after the bond was filed. [1983 c.338 §861]

**806.270 Certificate of insurance.** A certificate of insurance that is used to comply with future responsibility filing requirements under ORS 806.240 is subject to all of the following:

(1) Except as provided by ORS 806.280, the certificate must be issued by an insurance carrier doing business in this state.

(2) The certificate must show that the person required to make the future responsibility filing is covered by insurance that provides minimum coverage necessary for payment of the schedule of payments under ORS 806.070.

(3) The certificate must show that the person required to make the future responsibility filing is either:

(a) Insured by a policy meeting the requirements under ORS 806.080 that also covers all other persons who, with the consent of the insured, use the vehicles owned by the person making the filing; or

(b) Insured against loss arising from liabilities imposed by law for damages arising out of the ownership, operation, use or maintenance of motor vehicles not owned by the person required to make the filing.

(4) The certificate must:

(a) Be dated as of the date of the motor vehicle policy for which it is given;

(b) Contain the policy number; and

(c) Describe all vehicles covered by the policy, unless such policy is issued with respect to all vehicles operated by the insured.

(5) The certificate must provide that the insurers will give the division written notice of any cancellation of the policy within 10 days after the effective date of the cancellation or termination. The notice requirement under this subsection does not apply where

the insurance is terminated under ORS 806.290.

(6) The division shall not accept any certificate or certificates unless all vehicles are covered that are registered in the name of or operated by the person furnishing the proof except vehicles that are in storage and for which the current registration plates and cards have been surrendered to the division.

(7) A person who causes a certificate or certificates to be tendered for the future responsibility requirements must file with the division a statement that the certificate or certificates cover all vehicles registered in the person's name. The division may rely upon the accuracy of the information in a statement as to the extent of the coverage unless and until the division has reason to believe that the information is erroneous.

(8) The requirements under this section may be fulfilled by the policies of one or more insurance carriers. [1983 c.338 §862; 1985 c.16 §433]

**806.280 When certificate of carrier not authorized to do business in this state may be used.** The division shall not accept a certificate of insurance for purposes of future responsibility filings from an insurance company or surety company that is not authorized to do business in Oregon unless the company meets all of the following requirements:

(1) The company must execute and deliver to the division a power of attorney authorizing the division to accept on behalf of the company service of process in any action arising out of a vehicle accident in this state involving the principal or insured of the company.

(2) The company must execute and deliver to the division a written agreement that the bond or policy shall be deemed to conform to the laws of this state relating to such bond or insurance policy.

(3) The company must not be in default in any of its agreements or undertakings un-

der a certificate of insurance used for a future responsibility filing in this state. The division shall not accept any certificate of insurance from a company described in this subsection so long as such default continues. [1983 c.338 §863]

**806.290 Automatic termination of insurance under future responsibility filing upon subsequent filing.** An insurance policy for which a certificate of insurance is filed to comply with future responsibility requirements is terminated with respect to any operator or vehicle designated in the certificate if the operator or vehicle is also covered by an insurance policy subsequently procured and certified to the division. The date of termination under this section is the date the subsequent certificate is filed with the division. [1983 c.338 §864]

**806.300 Failure to surrender license and registration on cancellation of future responsibility filing; penalty.** (1) A person commits the offense of failure to surrender license and registration on cancellation of future responsibility filing if the person does not immediately return the person's license or driver permit and registration to the division when any of the following occur:

(a) A policy of insurance or bond required under ORS 806.240 is canceled or terminated.

(b) The person neglects to furnish other proof for a future responsibility filing upon request of the division.

(2) If any person fails to return to the division the license, driver permit or registration, the division may request any peace officer to secure possession thereof and return it to the division.

(3) The offense described in this section, failure to surrender license and registration on cancellation of future responsibility filing, is a Class C misdemeanor. [1983 c.338 §865; 1985 c.16 §434; 1985 c.393 §66]

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