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CHAPTER 9

FINANCIAL RESPONSIBILITY AND INSURANCE

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SUBCHAPTER I

GENERAL FINANCIAL RESPONSIBILITY

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§ 781. Definitions

1. **Terms defined.** As used in this subchapter, the following words shall have the following meanings:

A. Certificate. "Certificate," the certificate of an insurance company authorized to transact the business specified in Title 24, that it has issued to or for the benefit of any person a motor vehicle liability policy covering the motor vehicle, trailer or semi-trailer involved in the accident as a result of which the action at law to recover damages referred to in section 783, subsection 2, was commenced as respects such accident; or the certificate of a surety company authorized to transact business under Title 24 that it has issued to or for the benefit of any person a motor vehicle liability bond covering the motor vehicle, trailer or semi-trailer involved in the accident as a result of which the action at law to recover damages referred to in section 783, subsection 2, was commenced as respects such accident. The insurance company or surety company may, at its election, specify on such certificate the expiration date of the motor vehicle liability policy or bond and, if such company elects to so provide, the

policy or bond shall, on and after such date, be deemed terminated for purposes of this subchapter, unless such policy or bond is previously canceled or superseded in accordance with section 787, subsection 6. Where no expiration date is specified on the certificate, the policy or bond shall be deemed, for the purposes of this subchapter to continue in effect until it is canceled or superseded in accordance with section 787, subsection 6.

B. Judgment. "Judgment," any judgment which shall have become final by expiration without appeal of the time within which appeal might have been perfected, or by final affirmance on appeal, rendered by a court of competent jurisdiction of any state or of the United States.

C. Motor vehicle liability bond. "Motor vehicle liability bond," a bond certified as proof of financial responsibility in accordance with section 787, and conforming to section 786, subsection 3, and conditioned that the obligor shall within 30 days after the rendition thereof satisfy all judgments rendered against him or against any person responsible to him for the operation of the obligor's motor vehicle, trailer or semi-trailer who has obtained possession or control thereof with his express or implied consent, in actions to recover damages for damage to property of others or bodily injuries, including death at any time resulting therefrom, accidentally sustained during the term of said bond by any person other than the insured employees of the obligor actually operating the motor vehicle or of such other person responsible who are entitled to payments or benefits under any Workmen's Compensation Act, arising out of the ownership, operation, maintenance, control or use within the limits of the United States of America or the Dominion of Canada of such motor vehicle, trailer or semi-trailer, to the amount or limit of at least \$5,000 on account of damage to property and at least \$10,000 on account of injury to or death of any one person, and subject to such limits as respects injury to or death of one person, at least \$20,000 on account of any one accident resulting in injury to or death of more than one person.

D. Motor vehicle liability policy. "Motor vehicle liability policy," a policy of liability insurance certified as proof of financial responsibility in accordance with section 787, and which provides indemnity for or protection to the insured and any person responsible to him for the operation of the insured's motor vehicle, trailer or semi-trailer who has ob-

tained possession or control thereof with his express or implied consent, against loss by reason of the liability to pay damages to others for damage to property, except property of others in charge of the insured or his employees, or bodily injuries, including death at any time resulting therefrom, accidentally sustained during the term of said policy by any person other than the insured, or employees of the insured actually operating the motor vehicle or of such other person responsible who are entitled to payments or benefits under any Workmen's Compensation Act, arising out of the ownership, operation, maintenance, control or use within the limits of the United States of America or the Dominion of Canada of such motor vehicle, trailer or semi-trailer, to the amount or limit of at least \$10,000 on account of injury to or death of any one person, and subject to such limits as respects injury to or death of one person, of at least \$20,000 on account of any one accident resulting in injury to or death of more than one person, and of at least \$5,000 for damage to property of others, or a binder pending the issue of such policy.

E. Owner. "Owner," a person who holds the legal title to a motor vehicle, trailer or semi-trailer, or in the event a motor vehicle, trailer or semi-trailer is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a motor vehicle, trailer or semi-trailer is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purposes of this subchapter.

F. Person. "Person," every person, firm, copartnership, association or corporation, but not the State or any political subdivision thereof.

G. Secretary of State. "Secretary of State" shall mean the Secretary of State or any of his deputies.

H. State. "State," any state of the United States, the District of Columbia or any province of the Dominion of Canada.

1955, c. 395, § 1; 1959, c. 363, § 12; c. 378, § 11.

2. Secretary of State to administer; appeal. The Secretary of State shall administer and enforce this subchapter and he is

authorized to adopt and enforce such regulations as may be necessary for their administration. He is authorized to remove and destroy all records and papers in his office pertaining to the Financial Responsibility Law which are more than 3 years old, are not in use and which in his judgment are no longer of value. Any person aggrieved by an order or act of the Secretary of State under this subchapter may, within 30 days after notice thereof, appeal by filing a complaint in the Superior Court of the county in which one of the parties resides, and if both plaintiff and defendant are nonresidents, then in the county where the accident occurred. The filing of such complaint shall not suspend the order or act unless a stay thereof shall be allowed by said court pending final determination of the appeal. The court shall summarily hear the complaint and may make any appropriate order or decree. (1961, c. 317, § 26.)

R.S.1954, c. 22, § 75; 1955, c. 395, § 1; 1959, c. 363, § 12; c. 378, § 11; 1961, c. 317, § 26.

§ 782. Proof required on conviction for violation

1. Suspension of licenses. Upon receipt of an abstract of the record in case of conviction of any person for a violation of any state law relative to motor vehicles, the Secretary of State, in his discretion, may forthwith suspend the license of the person so convicted and the registration certificates and registration plates issued for any motor vehicle, trailer or semi-trailer registered in the name of such person unless and until such person gives and thereafter maintains for a period of 3 years proof of his financial responsibility. The Secretary of State shall take action as required in this section upon receiving proper evidence of any such conviction of any person in another state.

2. Definition of term "conviction". For purposes of this subchapter the term "conviction" shall include a forfeiture of bail or collateral deposited to secure a defendant's appearance in court, which forfeiture has not been vacated, upon a charge of violating any motor vehicle law.

R.S.1954, c. 22, § 76.

§ 783. Reports

1. Contents of report and duty of Chief of State Police. Where an accident has resulted in bodily injury to or death of any person, or in property damage to an apparent extent of \$100 or more, the accident report required by section 891 shall con-

tain, in a form prescribed by the Secretary of State information to enable the Secretary of State to determine whether the requirements for the deposit of security and proof of financial responsibility are inapplicable by reason of the existence of insurance or other exceptions specified in this section. The driver, or the person acting for him in reporting, shall furnish such additional relevant information as the Secretary of State shall require. Immediately after receipt of any accident report required by section 891, the Chief of the State Police shall forward said report to the Secretary of State. The Secretary of State may rely upon the accuracy of the information unless and until he has reason to believe that the information is erroneous.

2. Security and proof of financial responsibility required following accident.

A. Upon receipt by him of the report of an accident, which has resulted in death, bodily injury or property damage to an apparent extent of \$100 or more, the Secretary of State shall, 30 days following the date of request for compliance with the 2 following requirements, suspend the license or the right to obtain a license, or revoke the right to operate of any person operating, and the registration certificates and registration plates of any person owning a motor vehicle, trailer or semi-trailer in any manner involved in such accident, or the right to register the same unless such operator or owner or both:

(1) Shall have secured a written release, duly authenticated, from the other party or parties involved in such accident, or shall have previously furnished or immediately furnishes sufficient security to satisfy any judgment or judgments for damages resulting from such accident as may be recovered against such owner or operator by or on behalf of the aggrieved person or his legal representative, and

(2) Shall immediately give and thereafter maintain proof of financial responsibility for 3 consecutive years next following the date of filing the proof as provided under section 787, subsection 2. The Secretary of State may waive the requirement of filing proof after 3 years from the date of the original filing thereof.

B. Upon receipt of notice from the Secretary of State which contains information that an automobile liability policy was carried at the time of the accident, or that the liability of the

owner or operator for damages resulting from the accident was covered by any other form of insurance or bond, the insurance carrier shall within 15 days notify the Secretary of State in such manner as he may require in case such policy or bond was not in effect at the time of such accident. Where erroneous information with respect to the existence of insurance or other exceptions specified in this section is furnished to the Secretary of State, he shall take appropriate action after the receipt by him of correct information with respect to such coverage or other exceptions.

C. Any person whose operator's license or registration certificates and registration plates have been suspended and have not been reinstated shall immediately return every such license, registration certificates and registration plates to the Secretary of State. Any person, who, after notice of such suspension, fails or refuses to return every such license, registration certificates and registration plates to the said Secretary of State may, upon conviction, be punished by a fine of not more than \$25.

D. The Secretary of State, upon any reasonable ground appearing on the records in his office, may suspend or revoke the operator's license of any person and may suspend or revoke any and all of the registration certificates and registration plates for any motor vehicle and may refuse to issue to any such person any license or to register in the name of such person any motor vehicle unless and until such person gives proof of his financial responsibility for such period as the Secretary of State may require.

1955, c. 39; c. 395, § 2; 1957, c. 390; 1961, c. 287, §§ 1, 2.

3. Form of security. Such security, when ordered, shall be in such form and in such amount as the Secretary of State may require, but in no case in excess of the amount of proof required under this subchapter. Proof of responsibility as prescribed in section 787, subsection 1, shall in all cases be deemed sufficient security hereunder.

4. Application of security. Security furnished in compliance with the requirements shall be applicable only to the payment of a judgment against the depositor for damages arising out of the accident in question in an action at law in a court of this State begun not later than one year after the date of such accident. Such deposit, or any balance thereof, shall be returned to the depositor or his personal representative whenever, after the

expiration of such year, the Secretary of State shall be given reasonable evidence to believe that there is no such action pending and no such judgment unsatisfied.

A. If no disposition of security so furnished is made in accordance with this section or if no request for its return is made for a period of 10 years from the date of the accident, such deposit shall be deemed presumptively abandoned and shall be paid into the State Treasury, and credited to the General Fund for the use of the State. Thereafter, no action shall be maintained in any court in this State by any depositor or his heirs, successors or assigns for any deposit so paid. Thereafter any lawful claimant may petition the Governor and Council for payment of such moneys to the claimant. In his petition the claimant shall state fully the facts showing the basis of his right, title and interest in such deposit. The Governor and Council, after a hearing, shall determine who are lawful claimants and shall authorize payment by the Treasurer of State from the General Fund to such claimants.

1963, c. 224.

5. Limitation. Subsection 2 shall not apply:

A. To the owner of a motor vehicle, trailer or semi-trailer operated by one having obtained possession or control thereof without his express or implied consent;

B. To either the owner or licensed operator of a motor vehicle, trailer or semi-trailer involved in an accident when the Secretary of State shall be satisfied that neither such owner nor operator caused the accident;

C. To either the owner or operator of a motor vehicle, trailer or semi-trailer involved in an accident that was caused by the criminal act of a third party, for which criminal act such third party has been convicted;

D. To either the owner or operator of a motor vehicle, trailer or semi-trailer involved in an accident where no damage or injury was caused to other than the person or property of such owner or operator, unless at the time of said accident such owner or operator was violating some provision of the state laws relative to motor vehicles;

E. To any person involved in an accident while operating a motor vehicle licensed by the Public Utilities Commission of this State;

F. To the owner or licensed operator of a motor vehicle, trailer or semi-trailer involved in an accident, if such owner had in effect at the time of such accident an automobile liability policy with respect to the motor vehicle, trailer or semi-trailer involved in such accident; nor to such operator, if not the owner of such motor vehicle, trailer or semi-trailer if there was in effect at the time of such accident an automobile liability policy or bond with respect to his operation of motor vehicles not owned by him; nor to such operator or owner if the liability of such operator or owner for damages resulting from such accident is, in the judgment of the Secretary of State, covered by any other form of liability insurance policy or bond. No such policy or bond shall be effective under this section unless issued by an insurance company or surety company authorized to do business in this State, except that if such motor vehicle, trailer or semi-trailer was not registered in this State, or was a motor vehicle, trailer or semi-trailer which was registered elsewhere than in this State at the effective date of the policy or bond, or the most recent renewal thereof, such policy or bond shall not be effective under this section unless the insurance company or surety company if not authorized to do business in this State shall execute a power of attorney authorizing the Secretary of State to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident. Every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than \$10,000 because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not less than \$20,000 because of bodily injury to or death of 2 or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than \$5,000 because of injury to or destruction of property of others in any one accident;

G. To the operator of a motor vehicle, trailer or semi-trailer involved in an accident if at the time such motor vehicle, trailer or semi-trailer was owned by the State of Maine or any political subdivision thereof or was owned by a corporation which has complied by the method provided in section 787, subsection 2, paragraph C.

1955, c. 395, § 3.

6. Suspension; duration. The suspension required in subsection 2 shall remain in effect; the motor vehicle, trailer or

semi-trailer in any manner involved in such accident shall not be registered in the name of the person whose license or registration was so suspended, and no other motor vehicle, trailer or semi-trailer shall be registered in the name of such person; nor any new licenses issued to such person, unless and until he has obtained a release or a judgment in his favor in an action to recover damages for damage to property or the death of or bodily injury to any person resulting from such accident or unless he shall have satisfied in the manner provided any judgment rendered against him in such an action, and at all events gives and thereafter maintains proof of his financial responsibility. If the aggrieved or injured person or his legal representative shall not have brought an action within one year from the date of the accident, then the Secretary of State, upon receiving reasonable evidence of the fact, may, subject to the other requirements of the law, issue to such person a new license to operate and new registration certificates and registration plates, provided he shall give and thereafter maintain proof of financial responsibility. A discharge in bankruptcy shall not relieve the judgment debtor from any of the requirements of this subchapter, except that 10 years after the date thereof a discharge in bankruptcy shall relieve the judgment debtor from any of the requirements of this subchapter; and this exception shall be retroactive to August 20, 1945.

1955, c. 243; 1961, c. 417, § 40; 1963, c. 24.

7. Penalty. Any person who gives information required in a report or otherwise as provided for in this section, knowing or having reason to believe such information is false, shall be punished by a fine of not more than \$500 or by imprisonment for not more than 6 months, or by both.

R.S.1954, c. 22, § 77; 1955, c. 39, §§ 1-3; c. 243; c. 395, §§ 2, 3; 1957, c. 390; 1961, c. 287, §§ 1, 2; c. 417, § 40; 1963, cc. 24, 224.

§ 784. Payments sufficient to satisfy requirements

Every judgment shall, for the purposes of this subchapter be deemed satisfied:

1. \$10,000 credited. When \$10,000 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; or

2. \$20,000 credited. When, subject to such limit of \$10,000 because of bodily injury to or death of one person, the sum of

\$20,000 has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of 2 or more persons as the result of any one accident; or

3. \$5,000 credited. When \$5,000 has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

Credit for such amounts shall be deemed a satisfaction of any such judgment or judgments in excess of said amounts only for the purposes of this subchapter.

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

R.S.1954, c. 22, § 78.

§ 785. Application of provisions to nonresidents and accidents in other states

1. Nonresidents. This subchapter shall apply to any person who is not a resident of this State, and if such nonresident has failed to furnish security or to give proof of his financial responsibility, then and in such event such nonresident shall not operate any motor vehicle, trailer or semi-trailer in this State nor shall any motor vehicle, trailer or semi-trailer owned by him be operated within this State by any person. The Secretary of State shall not issue to such nonresident any operator's license or register any motor vehicle, trailer or semi-trailer owned by such nonresident in the same manner as required with respect to a resident of this State. The operation by a nonresident, or with his express or implied consent if an owner, of a motor vehicle, trailer or semi-trailer on a public way of the State shall be deemed equivalent to an appointment by such nonresident of the Secretary of State or his successor in office to be his true and lawful attorney, upon whom may be served all lawful processes in any action against him, growing out of any accident in which said nonresident may be involved while so operating or so permitting to be operated a motor vehicle on such a way.

2. Information to home state. When a nonresident's operating privilege is suspended pursuant to section 783, the Secretary of State shall transmit a certified copy of the record of such action to the official in charge of the issuance of licenses and

registration certificates in the state in which such nonresident resides, if the law of such other state provides for action in relation thereto similar to that provided for in subsection 3.

3. Accidents in other states. Upon receipt of such certification that the operating privilege of a resident of this State has been suspended or revoked in any such other state pursuant to a law providing for its suspension or revocation for failure to deposit security for the payment of judgments arising out of a motor vehicle accident, or for failure to deposit both security and proof of financial responsibility, under circumstances which require the Secretary of State to suspend a nonresident's operating privilege had the accident occurred in this State, the Secretary of State shall suspend the license of such resident and all of his registration certificates and registration plates. Such suspension shall continue until such resident furnishes evidence of his compliance with the law of such other state relating to the deposit of such security; and until such resident files proof of financial responsibility if required by such law.

R.S.1954, c. 22, § 79; 1963, c. 38.

§ 786. Bonds

1. Policy form. No motor vehicle liability policy, as defined in section 781, shall be certified as proof of financial responsibility in accordance with section 787 until a copy of the form of the policy has been on file with the Insurance Commissioner for at least 30 days, unless, before the expiration of said period, said Insurance Commissioner shall have approved the form of the policy in writing, nor if said Insurance Commissioner notifies the company in writing that, in his opinion, the form of said policy does not comply with the laws of the State, provided he shall notify the company in writing within said period of his approval or disapproval thereof. Said Insurance Commissioner shall approve a form of policy which contains the name and address of the insured, a description of the motor vehicles and trailers or semi-trailers covered, with the premium charges therefor, the policy period, the limits of liability and an agreement that insurance is provided in accordance with and subject to this subchapter.

1955, c. 395, § 4.

2. Required provisions. A motor vehicle liability policy certified as proof of financial responsibility in accordance with

section 787 shall be subject to the following provisions which need not be contained therein:

A. The liability of any company under a motor vehicle liability policy shall become absolute whenever loss or damage covered by said policy occurs, and the satisfaction by the insured of a final judgment for such loss or damage shall not be a condition precedent to the right or duty of the company to make payment on account of said loss or damage. No such contract of insurance shall be canceled or annulled by any agreement between the company and the insured after the said insured has become responsible for such loss or damage, and any such cancellation or annulment shall be void. Upon the recovery of a final judgment against any person for any loss or damage specified in this section, if the judgment debtor was, at the accrual of the cause of action, insured against liability therefor under a motor vehicle liability policy, the judgment creditor shall be entitled to have the insurance money applied to the satisfaction of the judgment.

B. The policy, the written application therefor, if any, and any rider or endorsement, which shall not conflict with this subchapter, shall constitute the entire contract between the parties.

C. No statement made by the insured or on his behalf, and no violation of the terms of the policy, shall operate to defeat or avoid the policy so as to bar recovery within the limit provided in the policy.

D. If the death, insolvency or bankruptcy of the insured shall occur within the policy period, the policy during the unexpired portion of such period shall cover the legal representatives of the insured. Such policy shall contain such provisions, as are not inconsistent with this subchapter as shall be required by the Insurance Commissioner.

E. Damages shall not be assessed except by special order of the court in a civil action, payment of the judgment wherein is secured by a motor vehicle liability policy or a motor vehicle liability bond, as defined in section 781, and wherein the defendant has been defaulted for failure to enter an appearance until the expiration of 30 days after the plaintiff has given notice of such default to the company issuing or executing such policy or bond and has filed an affidavit thereof. Such notice may be given by mailing the same,

postage prepaid, to the said company or to its agent who issued or executed such policy or bond. Upon receipt of information and having become satisfied that the insured has failed to comply with the terms of his policy in regard to notice to the company of an accident, the Secretary of State shall revoke his license and registration for such period as the Secretary of State shall determine.

1955, c. 395, § 5; 1961, c. 317, § 27.

3. Liability bonds. Subsections 1 and 2, except subsection 2, paragraphs A, B and C, shall apply to motor vehicle liability bonds, as defined in section 781, and every such bond shall be subject to, although it need not be contained therein, the provision that no statement made by the principal on such bond or on his behalf, and no violation of the terms of such bond, shall operate to defeat or avoid such bond as against the judgment creditor of such principal.

4. Prohibition. No motor vehicle liability policy other than that defined in section 781 shall be certified as proof of financial responsibility in accordance with section 787 by any authorized insurance company, except that such an authorized insurance company may certify what is known as a standard automobile liability policy containing an agreement that insurance is provided in accordance with and subject to this subchapter which agreement has been approved by the Insurance Commissioner.

R.S.1954, c. 22, § 80; 1955, c. 395, §§ 4-6; 1961, c. 317, § 27.

§ 787. Proof of financial responsibility

1. Amount of proof required. Proof of financial responsibility shall mean proof of ability to respond in damages for any liability thereafter incurred, arising out of the ownership, maintenance, control or use of a motor vehicle, trailer or semi-trailer in the amount of \$10,000 because of bodily injury or death to any one person, and subject to said limit respecting one person, in the amount of \$20,000 because of bodily injury to or death to 2 or more persons in any one accident, and in the amount of \$5,000 because of injury to and destruction of property in any one accident. Whenever required under this subchapter, such proof in such amounts shall be furnished for each motor vehicle, trailer or semi-trailer registered by such person, except that any utility trailer or house trailer, registered in the name of any person required to file proof of financial responsibility, which is automatically covered by a policy on any motor vehicle registered

by such person, which also provides the coverage required for a motor vehicle liability policy, shall not be subject to this section.

1959, c. 269.

2. Methods of giving proof. Proof of financial responsibility when required under this subchapter may be given by any of the following methods:

A. By filing with the Secretary of State a certificate, as defined in section 781, of an insurance company or of a surety company; or

B. By the deposit of money or securities as provided in subsection 3; or

C. By satisfying the Secretary of State that any corporation has financial ability to comply with the requirements of this subchapter.

3. Money or securities deposited as proof. A person may give proof of financial responsibility by delivering to the Secretary of State a receipt of the Treasurer of State showing the deposit with said Treasurer of State of money in an amount, or securities approved by said Treasurer of State and of a market value in a total amount, as would be required for coverage in a motor vehicle liability policy furnished by the person giving such proof under this subchapter. Such securities shall be of a type which may legally be purchased by savings banks or for trust funds. All money or securities so deposited shall be subject to execution to satisfy any judgment mentioned in this subchapter but shall not otherwise be subject to attachment or execution.

4. Limitation. The Treasurer of State shall not accept any such deposit or issue a certificate therefor and the Secretary of State shall not accept such certificate, unless accompanied by evidence that there are no unsatisfied judgments against the depositor registered in the office of the clerk of the Superior Court for the county where the depositor resides.

5. May substitute other proof. The Secretary of State shall cancel any bond or return any certificate of insurance, or the Secretary of State shall direct and the Treasurer of State shall return any money or securities, to the person entitled thereto upon the substitution and acceptance of other adequate proof of financial responsibility pursuant to this subchapter.

6. Cancellation of policy or bond. No motor vehicle liability policy or bond certified as proof of financial responsibility

pursuant to subsection 2, paragraph A, shall be canceled until at least 10 days after notice of cancellation of the insurance or bond so certified shall be filed in the office of the Secretary of State, except that such a policy or bond subsequently procured and certified shall, on the effective date of its certification, terminate the insurance or bond previously certified with respect to any motor vehicle designated in both certificates.

7. Operating without giving proof. Any person whose operator's license or registration certificates or other privilege to operate a motor vehicle, trailer or semi-trailer has been suspended or revoked, restoration thereof or the issuance of a new license or registration being contingent upon the furnishing of security or proof of financial responsibility, and who during such suspension or revocation or in the absence of full authorization from the Secretary of State shall drive any motor vehicle, trailer or semi-trailer upon any highway or knowingly permits any motor vehicle, trailer or semi-trailer owned by such person to be operated by another upon any highway, except as permitted under this subchapter, shall be punished by imprisonment for not more than 6 months or by a fine of not more than \$500, or by both. Where any person is required under this subchapter to maintain proof of financial responsibility, the Secretary of State may issue a restricted license to such person, authorizing the operation of any motor vehicle, trailer or semi-trailer so long as the owner thereof shall maintain proof of financial responsibility. (1955, c. 395, § 7.)

R.S.1954, c. 22, § 81; 1955, c. 395, § 7; 1959, c. 269.

§ 788. Limitation and saving clause

This subchapter shall not be construed to prevent the plaintiff in any civil action from relying upon the other processes provided by law.

R.S.1954, c. 22, § 82; 1961, c. 417, § 41.

SUBCHAPTER II

INSURANCE

Sec.

831. Insurance for vehicles for hire.

832. Insurance before registration for dealers and transporters.

§ 831. Insurance for vehicles for hire

The Secretary of State shall not register any motor vehicle rented or leased on plans commonly known as U-Drive, Drive Yourself or Driverless Car plans nor any motor vehicle used for livery or hire, except as provided in Title 35, section 1510, or as a school bus, and no person, firm or corporation shall operate or cause to be operated upon any public highway in this State any such motor vehicle, until the owner or owners thereof shall have procured insurance or a bond, having a surety company authorized to transact business in this State or 2 individuals as sureties thereon, in the amount of \$10,000 because of bodily injury or death to any one person, and subject to said limit respecting one person, in the amount of \$20,000 because of bodily injury to or death to 2 or more persons in any one accident, and in the amount of \$5,000 because of injury to and destruction of property in any one accident, which insurance or bond shall be approved by the Secretary of State and shall indemnify the insured against any legal liability for personal injury, the death of any person or property damage, which injury, death or damage may result from or have been caused by the operation of the motor vehicle described in the contract of insurance or such bond. The Secretary of State shall not approve the policy or bond unless it provides primary coverage for the operator as well as the owner.

R.S.1954, c. 22, § 17; 1961, c. 191; 1963, c. 82.

§ 832. Insurance before registration for dealers and transporters

The Secretary of State shall not issue motor vehicle dealer, transporter, motorcycle dealer or boat trailer dealer registration plates until the applicant therefor shall have procured and filed with the Secretary of State a certificate showing that the applicant is covered by an automobile bodily injury and property damage liability insurance policy providing coverage as set forth in

this Title with respect to the plates issued, approved by the Insurance Commissioner, insuring against any legal liability in accordance with the terms of said policy for personal injury or death of any one person in the sum of \$10,000 and for any number of persons in the sum of \$20,000 and against property damage in the sum of \$5,000, which injury, death or damage may result from or have been caused by the operation of any vehicle bearing such registration plates. In lieu of such insurance, the applicant may file with said Secretary of State a bond or bonds issued by a surety company authorized to do business in the State in the amount of at least \$10,000 on account of injury to or death of any one person, and subject to such limits as respects injury to or death of one person, of at least \$20,000 on account of any one accident resulting in injury to or death of more than one person, and of at least \$5,000 for damage to property of others.

The Secretary of State shall suspend, without hearing, such registration within 10 days of receipt of written notice from the company that the insurance policy or bond required has been canceled. He shall likewise suspend said registration upon the expiration of the policy and shall not restore same until new certification of coverage is filed by the company.

1957, c. 76, § 5-A; 1959, c. 156, § 1; 1963, c. 296, § 5.