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HOUSE BILL NO. 2352

Offered January 8, 2003

Prefiled January 8, 2003

A BILL to amend and reenact § 46.2-2053 of the Code of Virginia, relating to motor carriers; minimum financial responsibility requirements.

Patron—Hull

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:**1. That § 46.2-2053 of the Code of Virginia is amended and reenacted as follows:**

§ 46.2-2053. Surety bonds, insurance, letter of credit or securities required prior to issuance of registration; amounts.

A. No certificate, permit, identification marker, registration card or license plate shall be issued by the Department to any vehicle operated by a motor carrier until the motor carrier certifies to the Department that the vehicle is covered by:

1. An insurance policy or bond;

2. A certificate of insurance in lieu of the insurance policy or bond, certifying that such policy or bond covers the liability of such motor carrier in accordance with the provisions of this article, is issued by an authorized insurer, or in the case of bonds, is in an amount approved by the Department. The bonds may be issued by the Commonwealth of Virginia, the United States of America, or any municipality in the Commonwealth. Such bonds shall be deposited with the State Treasurer and the surety shall not be reduced except in accordance with an order of the Department;

3. An unconditional letter of credit, issued by a bank doing business in Virginia, for an amount approved by the Department. The letter of credit shall be in effect so long as the motor carrier operates motor vehicles in the Commonwealth; or

4. In the case of a lessor who acts as a registrant for purposes of consolidating lessees' vehicle registration applications, a statement that the registrant has, before leasing a vehicle, obtained from the lessee an insurance policy, bond, or certificate of insurance in lieu of the insurance policy or bond and can make available said proof of insurance coverage upon demand.

Vehicles operated by carriers who have filed proof of financial responsibility in accordance with the provisions of § 14504 of Title 49 of the United States Code are deemed to have fulfilled the requirements of this article for insurance purposes, provided there is on board the vehicle a copy of a single state insurance receipt issued pursuant to 49 C.F.R. Part 367. The Department is further authorized to issue single state registration receipts to any qualified carrier as well as to collect and disperse the fees for and to qualified jurisdictions.

B. All motor carriers shall keep in force at all times insurance, a bond or bonds, in an amount required by this section. Except for taxicabs, the minimum financial responsibility requirements for motor carriers operating intrastate shall be based on the number of passengers a vehicle is designed or manufactured to transport, including the driver, and shall be as follows: one to six passengers - \$350,000; seven to fifteen passengers - \$1,500,000; sixteen or more passengers - \$5,000,000. All motor carriers operating exclusively taxicabs or other motor vehicles performing a taxicab service shall maintain liability insurance of at least \$125,000. *However, the minimum financial responsibility requirement with respect to a vehicle that is designed or manufactured to transport seven passengers, including the driver, shall be \$350,000 if the director of the Department of Medical Assistance Services or his designee certifies to the Department of Motor Vehicles that (i) the vehicle is primarily used for the transportation of persons pursuant to a contract between the vehicle's owner and the Department of Medical Assistance Services and (ii) the actual seating capacity of the vehicle has been permanently reduced to fewer than seven passengers, including the driver, as the result of the installation of a wheelchair lift or similar modification.*

C. The minimum insurance for motor carriers operating in interstate commerce shall equal the minimum required by federal law, rule, or regulation. Any motor carrier that meets the minimum federal financial responsibility requirements and also operates in intrastate commerce may submit, in lieu of a separate filing for its intrastate operation, proof of the minimum federal limits, provided that both interstate and intrastate operations are insured.

INTRODUCED

HB2352