

# VIRGINIA ACTS OF ASSEMBLY -- 2012 SESSION

## CHAPTER 638

*An Act to amend and reenact §§ 46.2-2101 and 46.2-2143 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 46.2-2143.1, relating to insurance requirements for motor carriers.*

[S 322]

Approved April 5, 2012

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 46.2-2101 and 46.2-2143 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 46.2-2143.1 as follows:**

§ 46.2-2101. Exemptions from chapter.

The following are exempt from this chapter:

1. Motor vehicles owned and operated by the United States, District of Columbia, any state, municipality, or any other political subdivision of the Commonwealth.

2. Transportation of property between any point in this Commonwealth and any point outside this Commonwealth or between any points wholly within the limits of any city or town in *this* the Commonwealth. *This exemption shall not apply to the insurance requirement imposed on motor carriers pursuant to § 46.2-2143.1.*

3. Motor vehicles controlled and operated by a bona fide cooperative association as defined in the Federal Marketing Act, approved June 15, 1929, as amended, or organized or existing under Article 2 (§ 13.1-312 et seq.) of Chapter 3 of Title 13.1, while used exclusively in the conduct of the business of such association.

4. Motor vehicles while used exclusively in (i) carrying newspapers, water, livestock, poultry, poultry products, buttermilk, fresh milk and cream, meats, butter and cheese produced on a farm, fish (including shellfish), slate, horticultural or agricultural commodities (not including manufactured products thereof), and forest products, including lumber and staves (but not including manufactured products thereof), (ii) transporting farm supplies to a farm or farms, (iii) hauling for the Department of Transportation, (iv) carrying fertilizer to any warehouse or warehouses for subsequent distribution to a local area farm or farms, or (v) collecting and disposing of trash, garbage and other refuse.

5. Motor vehicles used for transporting property by an air carrier or carrier affiliated with a direct air carrier whether or not such property has had or will have a prior or subsequent air movement.

6. Motor carriers exclusively operating vehicles with a registered gross weight of 7,500 pounds or less for the sole purpose of providing courier service.

§ 46.2-2143. Surety bonds, insurance, letter of credit or securities required prior to issuance of registration.

A. No certificate of fitness, 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 *one or more of the following, in the amount or amounts set forth in § 46.2-2143.1:*

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 belonging to carriers who have filed proof of financial responsibility in accordance with the single state registration system authorized by 49 U.S.C. § 14504 or the unified carrier registration system authorized by 49 U.S.C. § 14504a are deemed to have fulfilled the requirements of this article for insurance purposes, provided there is on board the vehicle a copy of an insurance receipt issued pursuant to the federal regulations promulgated pursuant to 49 U.S.C. § 14504 or 14504a. The Department is further authorized to issue single state registration system or unified carrier registration system 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.

C. The minimum public liability financial responsibility requirements for motor carriers operating in intrastate commerce shall be \$750,000. The minimum insurance for motor carriers operating in interstate commerce shall equal the minimum required by federal law, rule, or regulation. The minimum cargo insurance required for motor carriers operating in intrastate commerce shall be \$50,000. Motor carriers engaged exclusively in the transportation of bulk commodities shall not be required to file any cargo insurance, bond or bonds for cargo liability. 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 (i) both interstate and intrastate operations are insured, (ii) the public liability filed is at least \$750,000, and (iii) any cargo insurance requirements of this section have been met.

*§ 46.2-2143.1. Insurance requirement for motor carriers.*

A. All motor carriers shall keep in force at all times insurance, a bond, or bonds in an amount required by this section.

B. The minimum public liability financial responsibility requirements for motor carriers operating in intrastate commerce shall be \$750,000. The minimum insurance for motor carriers operating in interstate commerce shall equal the minimum required by federal law, rule, or regulation.

C. The minimum cargo insurance required for motor carriers operating in intrastate commerce shall be \$50,000. Motor carriers engaged exclusively in the transportation of bulk commodities shall not be required to file any cargo insurance, bond, or bonds for cargo liability.

D. 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 pursuant to § 46.2-2143, proof of the minimum federal limits, provided that (i) both interstate and intrastate operations are insured, (ii) the public liability filed is at least \$750,000, and (iii) any cargo insurance requirements of this section have been met.