

Part 4
Proof of Owner's or Operator's Security

41-12a-401 Means of providing proof of owner's or operator's security.

- (1) Whenever proof of owner's or operator's security is required under this chapter, it may be provided by filing with the department any of the following:
 - (a) a certificate of insurance under Section 41-12a-402 or 41-12a-403;
 - (b) a copy of a surety bond under Section 41-12a-405;
 - (c) a certificate of deposit of money or securities issued by the state treasurer under Section 41-12a-406; or
 - (d) a certificate of self-funded coverage under Section 41-12a-407.
- (2) Whenever the term "proof of financial responsibility" is used in this title, it shall be read as "proof of owner's or operator's security."

Amended by Chapter 203, 1991 General Session

41-12a-402 Insurance certificate as proof of owner's or operator's security -- Resident.

Proof of owner's or operator's security may be furnished by filing with the department the written certificate of any insurer licensed in Utah certifying that there is in effect an insurance policy or combination of policies conforming to Section 31A-22-302 for the benefit of the person required to furnish proof of owner's or operator's security. This certificate shall be furnished to the department in the form of an SR-22 issued by any insurer licensed in Utah. The certificate shall give each policy number and the effective date of each policy. The effective date of the policy may not be later than the effective date of the certificate. The certificate shall designate by explicit description or by appropriate reference all motor vehicles covered, unless the policy is issued to a person who is not the owner of a motor vehicle. Certificates filed under this section continue in force until cancelled under Section 41-12a-404, or until the requirement for a certificate is waived under Section 41-12a-411.

Enacted by Chapter 242, 1985 General Session

41-12a-403 Insurance certificate as proof of owner's or operator's security -- Nonresident.

- (1) The nonresident owner of a motor vehicle not registered in Utah may give proof of owner's or operator's security by filing with the department the written certificate of an insurer licensed in the state in which the motor vehicle described in the certificate is registered, or if the nonresident does not own a motor vehicle, then in the state in which the insured resides, provided the certificate otherwise conforms to the provisions of this chapter. The department shall accept the certificate if the insurer:
 - (a) executes a power of attorney authorizing the department to accept service on its behalf of notice or process in any action arising out of a motor vehicle accident in Utah; and
 - (b) agrees in writing that the policies certified are considered to conform with the provisions required under Sections 31A-22-303 and 31A-22-304.
- (2) If an insurer which is not licensed in Utah but which has qualified to furnish proof of owner's or operator's security under Subsection (1), defaults in any such undertaking or agreement, the department may not thereafter accept as proof of security any certificate of the insurer, so long as the default continues.

Enacted by Chapter 242, 1985 General Session

41-12a-404 Limitation on cancellation of coverage specified in certificate.

When an insurer has certified an insurance policy under Sections 41-12a-402 or 41-12a-403, the policy may not be terminated unless notice of termination is filed with the department no later than 10 days after termination. However, this type of policy which is subsequently procured and certified shall, on the effective date of its certificate, terminate the insurance previously certified.

Enacted by Chapter 242, 1985 General Session

41-12a-405 Surety bond as proof of owner's or operator's security.

- (1) Proof of owner's or operator's security may be furnished by filing with the department a copy of a surety bond, certified by the surety, which conforms to Subsection 41-12a-103(9)(c). The bond may not be canceled except after 10 days' written notice to the department.
- (2) If a judgment rendered against the principal within the coverage of the bond is not satisfied within 60 days after judgment becomes final, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action in the name of the department against the surety executing the bond.

Amended by Chapter 371, 2008 General Session

41-12a-406 State treasurer's certificate as proof of owner's or operator's security.

- (1) Proof of owner's or operator's security may be furnished by delivering to the department the certificate of the state treasurer certifying that the person named in it has deposited in trust with the state treasurer cash in an amount equal to twice the single limit under Subsection 31A-22-304(2) or securities with a fair market value of a similar amount, which securities are legal investments for insurers under Section 31A-18-105. The state treasurer may not accept a deposit and issue a certificate for it, unless the deposit is accompanied by evidence that there are no unsatisfied liens of any character on the assets deposited.
- (2) The deposit shall be held by the state treasurer in trust to satisfy any execution on a judgment that would be paid under an insurance policy conforming to Section 31A-22-302 had the treasurer issued such a policy.
- (3) Except as provided under Subsection (2), assets deposited with the treasurer under this chapter are exempt from attachment or execution.

Enacted by Chapter 242, 1985 General Session

41-12a-407 Certificate of self-funded coverage as proof of owner's or operator's security.

- (1) The department may, upon the application of any person, issue a certificate of self-funded coverage when it is satisfied that the person has:
 - (a) more than 24 motor vehicles; and
 - (b) deposits, in a form approved by the department, securities in an amount of \$200,000 plus \$100 for each motor vehicle up to and including 1,000 motor vehicles and \$50 for every motor vehicle over 1,000 motor vehicles.
- (2) Persons holding a certificate of self-funded coverage under this chapter shall pay benefits to persons injured from the self-funded person's operation, maintenance, and use of motor vehicles as would an insurer issuing a policy to the self-funded person containing the coverages under Section 31A-22-302.

- (3) In accordance with Title 63G, Chapter 4, Administrative Procedures Act, the department may, upon reasonable grounds, cancel the certificate. Failure to pay any judgment up to the limit under Subsection 31A-22-304(2) within 30 days after the judgment is final is a reasonable ground to cancel the certificate.
- (4) Any government entity with self-funded coverage for government-owned motor vehicles under Title 63G, Chapter 7, Governmental Immunity Act of Utah, meets the requirements of this section.

Amended by Chapter 382, 2008 General Session

41-12a-408 Substitution of forms of proof of owner's or operator's security.

The department shall consent to the cancellation of any bond or certificate of insurance or the department shall direct and the state treasurer shall return any money or securities to the person entitled to them upon the substitution and acceptance of other adequate proof of owner's or operator's security in a manner allowed under Section 41-12a-401.

Enacted by Chapter 242, 1985 General Session

41-12a-409 Power to require proof of owner's or operator's security in other form.

If, after a hearing, the department determines that a particular proof of owner's or operator's security filed under this chapter no longer fulfills the purposes for which it is required, the department shall require proof of security in another permitted form. Pending the filing of the other proof, the department shall suspend the license and registration or the nonresident's operating privilege.

Enacted by Chapter 242, 1985 General Session

41-12a-410 Employee and family relationships.

Whenever any person required to give proof of owner's or operator's security is an operator in the employ of any owner, or is a member of the immediate family or household of the owner, the department shall accept proof of security by the owner in lieu of proof by the employee, family, or household member. The department shall indicate by restriction on the operator's license the vehicles the operator may operate on the basis of that proof of security.

Enacted by Chapter 242, 1985 General Session

41-12a-411 Duration of proof of owner's or operator's security.

- (1) Except as otherwise provided under this section, any person required to give proof of owner's or operator's security shall maintain that proof with the department for a period of three years from the date the filing of proof was last requested. Subject to Subsection (2), the department shall:
 - (a) upon request, consent to the immediate cancellation of any bond or certificate of insurance;
 - (b) direct the state treasurer to return to the person entitled to it any money or securities deposited pursuant to this chapter as proof of owner's or operator's security; or
 - (c) waive the requirement of filing proof, if the person on whose behalf the proof was filed dies or becomes permanently incapacitated to operate a motor vehicle or if the person who has given proof surrenders his registration to the department, except that if he applies for a registration within three years from the date proof was originally required, the application shall be refused

unless the applicant reestablishes proof of owner's or operator's security and maintains the proof for the remainder of the three-year period.

- (2)
- (a) The department may not consent to the cancellation of any bond or the return of any money or securities if any action for damages upon a liability covered by that proof is then pending, if:
 - (i) any judgment of liability is unsatisfied; or
 - (ii) the person who filed the bond or deposited the money or securities has, within one year immediately preceding the request, been involved as an operator or owner in any motor vehicle accident resulting in injury or damage to the person or property of others.
 - (b) An affidavit of the applicant is sufficient evidence in the absence of contrary evidence in the records of the department if the affidavit declares:
 - (i) the nonexistence of liability or accidents;
 - (ii) that the person has been released from all liability; or
 - (iii) that the person has been finally adjudicated not to be liable for the injury or damage.

Amended by Chapter 216, 1999 General Session