

## CHAPTER 169.

[ Sub. S. B. 244. ]

MOTOR VEHICLES—OPERATORS AND OWNERS—  
FINANCIAL RESPONSIBILITY.

AN ACT relating to financial responsibility of motor vehicle operators and owners; amending sections 27 and 28, chapter 21, Laws of 1961 extraordinary session and RCW 46.52.130 and 46.52.140; repealing sections 46.24.010 through 46.24.910, chapter 12, Laws of 1961 and RCW 46.24.010 through 46.24.910; and repealing sections 46.28.010 through 46.28.200, chapter 12, Laws of 1961 and RCW 46.28.010 through 46.28.200; and providing penalties.

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. It is the purpose of this act to adopt in substance the provisions of the uniform vehicle code relating to financial responsibility in order to achieve greater uniformity with the laws of other states and thereby reduce the conflicts in laws confronting motorists as they travel between states.

Financial responsibility act. Purpose.

SEC. 2. (1) The term "owner" as used in this act shall mean registered owner as defined in RCW 46.04.460.

Definitions.

(2) The term "registration" as used in this act shall mean the certificate of license registration issued under the laws of this state.

SEC. 3. (1) The director shall administer and enforce the provisions of this chapter and may make rules and regulations necessary for its administration.

Administration—Rules—Forms.

(2) The director shall prescribe and provide suitable forms requisite or deemed necessary for the purposes of this chapter.

SEC. 4. Any order of the director under the provisions of this chapter shall be subject to review, at the instance of any party in interest, by appeal to the superior court of Thurston county, or at his option to the superior court of the county of his residence.

Court review of orders.

The scope of such review shall be limited to that prescribed by RCW 7.16.120 governing review by certiorari. Notice of appeal must be filed within ten days after receipt of the notice of such order. The court shall determine whether the filing of the appeal shall operate as a stay of any such order of the director. Upon the filing the notice of appeal the court shall issue an order to the director to show cause why the order should not be reversed or modified. The order to show cause shall be returnable not less than ten nor more than thirty days after the date of service thereof upon the director. The court after hearing the matter may modify, affirm or reverse the order of the director in whole or in part.

Financial  
responsibility  
act. Operating  
record, evi-  
dence of  
ability to  
respond in  
damages, fur-  
nished—Fee,  
disposition of.

SEC. 5. (1) The department shall upon request furnish any person a certified abstract of the operating record of any person subject to the provisions of this act, which abstract shall include enumeration of any motor vehicle accidents in which such person has been involved and reference to any convictions of said person for violation of the motor vehicle laws as reported to the department, and a record of any vehicles registered in the name of such person. The department shall collect for each abstract the sum of two dollars which shall be deposited in the motor vehicle operators' revolving fund.

(2) The department shall upon request furnish any person who may have been injured in person or property by any motor vehicle, with an abstract of all information of record in the department pertaining to the evidence of the ability of any operator or owner of any motor vehicle to respond in damages. The department shall collect for each abstract the sum of two dollars which shall be deposited in the motor vehicle operators' revolving fund.

SEC. 6. The provisions of this act, requiring deposit of security and suspensions for failure to deposit

security, subject to certain exemptions, shall apply to the driver and owner of any vehicle of a type subject to registration under the motor vehicle laws of this state which is in any manner involved in an accident within this state, which accident has resulted in bodily injury or death of any person or damage to the property of any one person in excess of one hundred dollars.

Application of sections requiring deposit of security.

SEC. 7. (1) The department, not less than twenty days after receipt of a report of an accident as described in the preceding section, shall determine the amount of security which shall be sufficient in its judgment to satisfy any judgment or judgments for damages resulting from such accident as may be recovered against each driver or owner. Such determination shall not be made with respect to drivers or owners who are exempt under succeeding sections of this act from the requirements as to security and suspension.

Department to determine amount of security required—Notices.

(2) The department shall determine the amount of security deposit required of any person upon the basis of the reports or other information submitted. In the event a person involved in an accident as described in this act fails to make a report or submit information indicating the extent of his injuries or the damage to his property within fifty days after the accident and the department does not have sufficient information on which to base an evaluation of such injuries or damage, then the department after reasonable notice to such person, if it is possible to give such notice, otherwise without such notice, shall not require any deposit of security for the benefit or protection of such person.

(3) The department within fifty days after receipt of report of any accident referred to herein and upon determining the amount of security to be required of any person involved in such accident or to be required of the owner of any vehicle involved

in such accident shall give written notice to every such person of the amount of security required to be deposited by him and that an order of suspension will be made as hereinafter provided upon the expiration of ten days after the sending of such notice unless within said time security be deposited as required by said notice.

Financial  
responsibility  
act. Exceptions  
as to require-  
ment of  
security.

SEC. 8. The requirements as to security and suspension in this act shall not apply:

(1) To the driver or owner if the owner had in effect at the time of the accident an automobile liability policy or bond with respect to the vehicle involved in the accident, except that a driver shall not be exempt under this subsection if at the time of the accident the vehicle was being operated without the owner's permission, express or implied;

(2) To the driver, if not the owner of the vehicle involved in the accident, if there was in effect at the time of the accident an automobile liability policy or bond with respect to his driving of vehicles not owned by him;

(3) To the driver, if not the owner of the vehicle involved in the accident, if there was in effect at the time of the accident, an automobile liability policy or bond as to which there is a bona fide dispute concerning coverage of such driver as evidenced by the pendency of litigation seeking a declaration of said driver's coverage under such policy or bond.

(4) To a driver or owner whose liability for damages resulting from the accident is, in the judgment of the department, covered by any other form of liability insurance policy or bond;

(5) To any person qualifying as a self-insurer under section 66 of this act or to any person operating a vehicle for such self-insurer;

(6) To the driver or the owner of a vehicle involved in an accident wherein no injury or dam-

age was caused to the person or property of anyone other than such driver or owner;

(7) To the driver or owner of a vehicle which at the time of the accident was parked, unless such vehicle was parked at a place where parking was at the time of the accident prohibited under any applicable law or ordinance;

(8) To the owner of a vehicle if at the time of the accident the vehicle was being operated without his permission, express or implied, or was parked by a person who had been operating such vehicle without such permission;

(9) To the owner of a vehicle involved in an accident if at the time of the accident such vehicle was owned by or leased to the United States, this state or any political subdivision of this state or a municipality thereof, or to the driver of such vehicle if operating such vehicle with permission; or

(10) To the driver or the owner of a vehicle in the event at the time of the accident the vehicle was being operated by or under the direction of a police officer who, in the performance of his duties, shall have assumed custody of such vehicle.

SEC. 9. (1) No policy or bond shall be effective under section 8 of this act unless issued by an insurance company or surety company authorized to do business in this state, except as provided in subsection (2) of this section, nor unless 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 ten thousand dollars 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 twenty thousand dollars because of bodily injury to or death of two 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 five thousand dollars

Requirements  
as to policy  
or bond.

because of injury to or destruction of property of others in any one accident.

(2) No policy or bond shall be effective under section 8 of this act with respect to any vehicle which was not registered in this state or was a vehicle which was registered elsewhere than in this state at the effective date of the policy or bond or the most recent renewal thereof, unless the insurance company or surety company issuing such policy or bond is authorized to do business in this state, or if said company is not authorized to do business in this state, unless it shall execute a power of attorney authorizing the director of licenses to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident.

(3) The department may rely upon the accuracy of the information in a required report of an accident as to the existence of insurance or a bond unless and until the department has reason to believe that the information is erroneous.

Financial responsibility act. Form and amount of security.

SEC. 10. (1) The security required under this act shall be in such form and in such amount as the department may require, but in no case in excess of the limits specified in section 9 of this act in reference to the acceptable limits of a policy or bond.

(2) Every depositor of security shall designate in writing every person in whose name such deposit is made and may at any time change such designation, but any single deposit of security shall be applicable only on behalf of persons required to furnish security because of the same accident.

Failure to deposit security—Suspensions.

SEC. 11. In the event that any person required to deposit security under this act fails to deposit such security within ten days after the department has sent the notice as hereinbefore provided, the department shall thereupon suspend:

(1) The operator's license of each driver in any manner involved in the accident;

(2) The operator's license of the owner of each vehicle of a type subject to registration under the laws of this state involved in such accident;

(3) If the driver or owner is a nonresident, the privilege of operating within this state a vehicle of a type subject to registration under the laws of this state;

Such suspensions shall be made in respect to persons required by the department to deposit security who fail to deposit such security except as otherwise provided under succeeding sections of this act.

SEC. 12. (1) A person shall be relieved from the requirement for deposit of security for the benefit or protection of another person injured or damaged in the accident in the event he is released from liability by such other person.

Release from liability.

(2) In the event the department has evaluated the injuries or damage to any minor in an amount not more than five hundred dollars the department may accept, for the purposes of this act only, evidence of a release from liability executed by a natural guardian or a legal guardian on behalf of such minor without the approval of any court or judge.

SEC. 13. A person shall be relieved from the requirement for deposit of security in respect to a claim for injury or damage arising out of the accident in the event such person has been finally adjudicated not to be liable in respect to such claim.

—Adjudication of nonliability as release.

SEC. 14. (1) Any two or more of the persons involved in or affected by an accident as described in section 6 of this act may at any time enter into a written agreement for the payment of an agreed amount with respect to all claims of any of such persons because of bodily injury to or death or property damage arising from such accident, which agreement

—Agreements for payment of damages as release.

Financial responsibility act. Release from liability. Agreements for payment of damages as release.

may provide for payment in installments, and may file a signed copy thereof with the department.

(2) The department, to the extent provided by any such written agreement filed with it, shall not require the deposit of security and shall terminate any prior order of suspension, or, if security has previously been deposited, the department shall immediately return such security to the depositor or his personal representative.

(3) In the event of a default in any payment under such agreement and upon notice of such default the department shall take action suspending the license of such person in default as would be appropriate in the event of failure of such person to deposit security when required under this act.

(4) Such suspension shall remain in effect and such license shall not be restored unless and until:

(a) Security is deposited as required under this chapter in such amount as the department may then determine,

(b) When, following any such default and suspension, the person in default has paid the balance of the agreed amount, or

(c) One year has elapsed following the effective date of such suspension and evidence satisfactory to the department has been filed with it that during such period no action at law upon such agreement has been instituted and is pending.

—Payment of judgment as release.

SEC. 15. The payment of a judgment arising out of an accident or the payment upon such judgment of an amount equal to the maximum amount which could be required for deposit under this act shall, for the purposes of this act, release the judgment debtor from the liability evidenced by such judgment.

Termination of security requirement.

SEC. 16. The department, if satisfied as to the existence of any fact which under sections 12, 13, 14 or 15 of this act would entitle a person to be



relieved from the security requirements of this act, shall not require the deposit of security by the person so relieved from such requirement, or if security has previously been deposited by such person, the department shall immediately return such deposit to such person or to his personal representative.

SEC. 17. Unless a suspension is terminated under other provisions of this act, any order of suspension by the department under this act shall remain in effect and no license shall be renewed for or issued to any person whose license is so suspended until

Duration of suspension.

(1) Such person shall deposit or there shall be deposited on his behalf the security required under this chapter, or

(2) One year shall have elapsed following the date of such suspension and evidence satisfactory to the department has been filed with it that during such period no action for damages arising out of the accident resulting in such suspension has been instituted.

An affidavit of the applicant that no action at law for damages arising out of the accident has been filed against him or, if filed, that it is not still pending shall be prima facie evidence of that fact. The department may take whatever steps are necessary to verify the statement set forth in any said affidavit.

SEC. 18. (1) In case the driver or the owner of a vehicle of a type subject to registration under the laws of this state involved in an accident within this state has no operator's license in this state, then such driver shall not be allowed an operator's license until he has complied with the requirements of this chapter to the same extent that would be necessary if, at the time of the accident, he had held a license or been the owner of a vehicle registered in this state.

Application to unlicensed drivers.

Financial responsibility act. Application to nonresidents, accidents in other states.

(2) When a nonresident's operating privilege is suspended pursuant to section 11 of this act, the department shall transmit a certified copy of the record or abstract 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 provided for action in relation thereto similar to that provided for in subsection (3) of this section.

(3) 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, under circumstances which would require the department to suspend a nonresident's operating privilege had the accident occurred in this state, the department shall suspend the license of such resident. 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.

Reduction in security authorized.

SEC. 19. The department may reduce the amount of security ordered in any case within six months after the date of the accident if in its judgment the amount ordered is excessive. In case the security originally ordered has been deposited, the excess deposit over the reduced amount ordered shall be returned to the depositor or his personal representative forthwith.

Corrective action authorized, when.

SEC. 20. Whenever the department has taken any action or has failed to take any action under this chapter by reason of having received erroneous information or by reason of having received no information, then upon receiving correct information within one year after the date of an accident the

department shall take appropriate action to carry out the purposes and effect of this act. The foregoing shall not, however, be deemed to require the department to reevaluate the amount of any deposit required under this act.

SEC. 21. The department shall place any security deposited with it under this act in the custody of the state treasurer. Custody of security.

SEC. 22. (1) Such security shall be applicable and available only Security, permissible payments from.

(a) For the payment of any settlement agreement covering any claim arising out of the accident upon instruction of the person who made the deposit, or

(b) For the payment of a judgment or judgments, rendered against the person required to make the deposit, for damages arising out of the accident in an action at law begun not later than one year after the deposit of such security, or within one year after the date of deposit of any security following failure to make payments under an agreement to pay.

(2) Every distribution of funds from the security deposits shall be subject to the limits of the department's evaluation on behalf of a claimant.

SEC. 23. Upon the expiration of one year from the date of any deposit of security any security remaining on deposit shall be returned to the person who made such deposit or to his personal representative if an affidavit or other evidence satisfactory to the department has been filed with it: Return of deposit.

(1) That no action for damages arising out of the accident for which deposit was made is pending against any person on whose behalf the deposit was made, and

(2) That there does not exist any unpaid judg-

ment rendered against any such person in such an action.

The foregoing provisions of this section shall not be construed to limit the return of any deposit of security under any other provision of this chapter authorizing such return.

Financial responsibility act. Matters not to be evidence in civil suits.

SEC. 24. The report required following an accident, the action taken by the department pursuant to this act, the findings, if any, of the department upon which such action is based, and the security filed as provided in this act, shall not be referred to in any way, and shall not be any evidence of the negligence or due care of either party, at the trial of any action at law to recover damages.

Financial responsibility for future, applicability of sections.

SEC. 25. The provisions of this act requiring the deposit of proof of financial responsibility for the future, subject to certain exemptions, shall apply with respect to persons who have been convicted of or forfeited bail for certain offenses under motor vehicle laws, or who have failed to pay judgments upon causes of action arising out of ownership, maintenance or use of vehicles of a type subject to registration under the laws of this state, or who having driven or owned a vehicle involved in an accident are required to deposit security under the provisions of section 7 of this act.

“Proof of financial responsibility for the future” defined.

SEC. 26. The term “proof of financial responsibility for the future” as used in this chapter shall mean: Proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of said proof, arising out of the ownership, maintenance or use of a vehicle of a type subject to registration under the laws of this state, in the amount of ten thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to said limit for one person, in the amount of twenty thousand dollars because of bodily

injury to or death of two or more persons in any one accident, and in the amount of five thousand dollars because of injury to or destruction of property of others in any one accident. Wherever used in this chapter the terms "proof of financial responsibility" or "proof" shall be synonymous with the term "proof of financial responsibility for the future."

Sec. 27. The following words and phrases when used in this chapter shall, for the purpose of this act, have the meanings respectively ascribed to them in this section.

"Judgment",  
"state"  
defined.

(1) The term "judgment" shall mean: Any judgment which shall have become final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal, rendered by a court of competent jurisdiction of any state or of the United States, upon a cause of action arising out of the ownership, maintenance or use of any vehicle of a type subject to registration under the laws of this state, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, or upon a cause of action on an agreement of settlement for such damages.

(2) The term "state" shall mean: Any state, territory, or possession of the United States, the District of Columbia, or any province of the Dominion of Canada.

SEC. 28. Whenever, under any law of this state, the license of any person is suspended or revoked by reason of a conviction or a forfeiture of bail, the suspension or revocation hereinbefore required shall remain in effect and the department shall not issue to such person any new or renewal of license until permitted under the motor vehicle laws of this state,

Suspension  
continues  
until proof  
furnished.

and not then unless and until such person shall give and thereafter maintain proof of financial responsibility for the future.

Financial responsibility act—Proof for future. Action in respect to unlicensed person.

SEC. 29. If a person has no license, but by final order or judgment is convicted of or forfeits any bail or collateral deposited to secure an appearance for trial for any offense requiring the suspension or revocation of license, or for driving a motor vehicle upon the highways without being licensed to do so, or for driving an unregistered vehicle upon the highways, no license shall be thereafter issued to such person unless he shall give and thereafter maintain proof of financial responsibility for the future.

Action in respect to nonresidents.

SEC. 30. Whenever the department suspends or revokes a nonresident's operating privilege by reason of a conviction or forfeiture of bail, such privilege shall remain so suspended or revoked unless such person shall have previously given or shall immediately give and thereafter maintain proof of financial responsibility for the future.

Nonpayment of judgments, courts to report.

SEC. 31. Whenever any person fails within thirty days to satisfy any judgment, then it shall be the duty of the clerk of the court, or of the judge of a court which has no clerk, in which any such judgment is rendered within this state to forward to the department immediately a certified copy or abstract of such judgment together with a certificate of facts relative to such judgment.

Judgment against nonresident transmitted.

SEC. 32. If the defendant named in any certified copy or abstract of a judgment reported to the department is a nonresident, the department shall transmit a certified copy of the judgment to the official in charge of the issuance of licenses and registrations of the state of which the defendant is a resident.

SEC. 33. The department upon receipt of a certified copy of a judgment and a certificate of facts relative to such judgment, on a form provided by the department, shall forthwith suspend the license and any nonresident's operating privilege of any person against whom such judgment was rendered, except as hereinafter otherwise provided in this act.

Suspension upon receipt of court certificates.

SEC. 34. The provisions of section 33 of this act shall not apply with respect to any such judgment arising out of an accident caused by the ownership or operation, with permission, of a vehicle owned or leased to the United States, this state or any political subdivision of this state or a municipality thereof.

—Exception if governmental vehicle.

SEC. 35. If the judgment creditor consents in writing, in such form as the department may prescribe, that the judgment debtor be allowed a license or nonresident's operating privilege, the same may be allowed by the department, in its discretion, for six months from the date of such consent and thereafter until such consent is revoked in writing, notwithstanding default in the payment of such judgment, or of any installments thereof prescribed in section 40 of this act, provided the judgment debtor furnishes proof of financial responsibility.

—Exception when consent by judgment creditor.

SEC. 36. No license or nonresident's operating privilege of any person shall be suspended under the provisions of this act if the department shall find that an insurer was obligated to pay the judgment upon which suspension is based, at least to the extent and for the amounts required in this act, but has not paid such judgment for any reason. A finding by the department that an insurer is obligated to pay a judgment shall not be binding upon such insurer and shall have no legal effect whatever except for the purpose of administering this section. If the department finds that no insurer is obligated to pay

—Exception when insurer liable.

Financial responsibility act—Proof for future. Suspension upon receipt of court certificates. Exception when insurer liable.

such a judgment, the judgment debtor may file with the department a written notice of his intention to contest such finding by an action in the superior court. In such a case the license or the nonresident's operating privilege of such judgment debtor shall not be suspended by the department under the provisions of this act for thirty days from the receipt of such notice nor during the pendency of any judicial proceedings brought in good faith to determine the liability of an insurer so long as the proceedings are being diligently prosecuted to final judgment by such judgment debtor. Whenever in any judicial proceedings it shall be determined by any final judgment, decree or order that an insurer is not obligated to pay any such judgment, the department, notwithstanding any contrary finding theretofore made by it, shall forthwith suspend the license and any nonresident's operating privilege of any person against whom such judgment was rendered, as provided in section 33 of this act.

—Duration of suspension.

SEC. 37. Such license and nonresident's operating privilege shall remain so suspended and shall not be renewed, nor shall any such license be thereafter issued in the name of such person, including any such person not previously licensed, unless and until every such judgment is stayed, satisfied in full or to the extent hereinafter provided and until the said person gives proof of financial responsibility subject to the exemptions stated in sections 35, 36 and 40 of this act.

Discharge in bankruptcy no relief.

SEC. 38. A discharge in bankruptcy following the rendering of any such judgment or a judgment of dismissal of a civil action based upon a discharge in bankruptcy shall not relieve the judgment debtor from any of the requirements of this act.

Satisfaction of judgments, how.

SEC. 39. (1) Judgments herein referred to shall, for the purpose of this act only, be deemed satisfied:



(a) When ten thousand dollars 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

(b) When, subject to such limit of ten thousand dollars because of bodily injury to or death of one person, the sum of twenty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident; or

(c) When five thousand dollars 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;

(2) Provided, however, payments made in settlements of any claims because of bodily injury, death or property damage arising from such accident shall be credited in reduction of the amounts provided for in this section. Proviso.

SEC. 40. (1) A judgment debtor upon due notice to the judgment creditor may apply to the court in which such judgment was rendered for the privilege of paying such judgment in installments and the court, in its discretion and without prejudice to any other legal remedies which the judgment creditor may have, may so order and fix the amounts and times of payment of the installments. Installment  
payment of  
judgments.

(2) The department shall not suspend a license or nonresident's operating privilege, and shall restore any license or nonresident's operating privilege suspended following nonpayment of a judgment, when the judgment debtor gives proof of financial responsibility and obtains such an order permitting the payment of such judgment in installments, and while the payment of any said installments is not in default.

Financial responsibility act—Proof for future. Installment of judgments—Default.

SEC. 41. In the event the judgment debtor fails to pay any installment as specified by such order, then upon notice of such default, the department shall forthwith suspend the license or nonresident's operating privilege of the judgment debtor until such judgment is satisfied, as provided in this act.

Proof required in addition to deposit of security after accident.

SEC. 42. Any person required to deposit security under section 7 of this act, for the benefit or protection of another person injured or damaged in an accident, shall in addition be required to give proof of financial responsibility for the future. The department shall give written notice of such additional requirement to every such person at the time and in the manner provided in section 7 of this act for giving notice of the requirement for security.

—Suspension for failure to give proof.

SEC. 43. In the event that any person required to give proof of financial responsibility under section 42 of this act fails to give such proof within ten days after the department has sent notice as hereinbefore provided, the department shall suspend, or continue in effect any existing suspension or revocation of, the license or any nonresident's operating privilege of such person.

—Suspension, duration.

SEC. 44. Such license or nonresident's operating privilege shall remain so suspended and shall not be renewed, nor shall any such license be thereafter issued in the name of such person, including any such person not previously licensed, unless and until such person shall give and thereafter maintain proof of financial responsibility for the future.

Alternate methods of giving proof.

SEC. 45. Proof of financial responsibility when required under this act, with respect to such a vehicle or with respect to a person who is not the owner of such a vehicle, may be given by filing:

- (1) A certificate of insurance as provided in section 46 or section 47 of this act;

- (2) A bond as provided in section 52 of this act;
- (3) A certificate of deposit of money or securities as provided in section 55 of this act; or
- (4) A certificate of self-insurance, as provided in section 63 of this act, supplemented by an agreement by the self-insurer that, with respect to accidents occurring while the certificate is in force, he will pay the same amounts that an insurer would have been obliged to pay under an owner's motor vehicle liability policy if it had issued such a policy to said self-insurer.

SEC. 46. Proof of financial responsibility for the future may be furnished by filing with the department the written certificate of any insurance carrier duly authorized to do business in this state certifying that there is in effect a motor vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility. Such certificate shall give the effective date of such motor vehicle liability policy, which date shall be the same as the effective date of the certificate, and shall designate by explicit description or by appropriate reference all vehicles covered thereby, unless the policy is issued to a person who is not the owner of a motor vehicle.

Certificate of insurance as proof.

SEC. 47. A nonresident may give proof of financial responsibility by filing with the department a written certificate or certificates of an insurance carrier authorized to transact business in the state in which the vehicle, or vehicles, owned by such nonresident is registered, or in the state in which such nonresident resides, if he does not own a vehicle, provided such certificate otherwise conforms with the provisions of this act, and the department shall accept the same upon condition that said insurance carrier complies with the following provisions with respect to the policies so certified:

Certificate furnished by nonresident as proof.

(1) Said insurance carrier shall execute a power of attorney authorizing the director to accept service on its behalf of notice or process in any action arising out of a motor vehicle accident in this state;

(2) Said insurance carrier shall agree in writing that such policies shall be deemed to conform with the laws of this state relating to the terms of motor vehicle liability policies issued therein.

Financial responsibility act—Proof for future. Default by nonresident insurer, effect.

SEC. 48. If any insurance carrier not authorized to transact business in this state, which has qualified to furnish proof of financial responsibility, defaults in any said undertakings or agreements, the department shall not thereafter accept as proof any certificate of said carrier whether theretofore filed or thereafter tendered as proof, so long as such default continues.

"Motor vehicle liability policy" defined.

SEC. 49. (1) Certification. A "motor vehicle liability policy" as said term is used in this act shall mean an "owner's policy" or an "operator's policy" of liability insurance, certified as provided in section 46 or section 47 of this act as proof of financial responsibility for the future, and issued, except as otherwise provided in section 47 of this act, by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named therein as insured.

(2) Owner's policy. Such owner's policy of liability insurance:

(a) Shall designate by explicit description or by appropriate reference all vehicles with respect to which coverage is thereby to be granted; and

(b) Shall insure the person named therein and any other person, as insured, using any such vehicle or vehicles with the express or implied permission of such named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of such vehicle or ve-

hicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such vehicle, as follows: Ten thousand dollars because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, twenty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and five thousand dollars because of injury to or destruction of property of others in any one accident.

(3) Operator's policy. Such operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are set forth above with respect to an owner's policy of liability insurance.

(4) Required statements in policies. Such motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period and the limits of liability, and shall contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this chapter as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this act.

(5) Policy need not insure workmen's compensation, etc. Such motor vehicle liability policy need not insure any liability under any workmen's compensation law nor any liability on account of bodily injury or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance or repair of any such vehicle nor any liabil-

Financial  
responsibility  
act—Proof for  
future.  
"Motor vehicle  
liability pol-  
icy" defined.

ity for damage to property owned by, rented to, in charge of or transported by the insured.

(6) Provisions incorporated in policy. Every motor vehicle liability policy shall be subject to the following provisions which need not be contained therein:

(a) The liability of the insurance carrier with respect to the insurance required by this act shall become absolute whenever injury or damage covered by said motor vehicle liability policy occurs; said policy may not be canceled or annulled as to such liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage; no statement made by the insured or on his behalf and no violation of said policy shall defeat or void said policy.

(b) The satisfaction by the insured of a judgment for such injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of such injury or damage.

(c) The insurance carrier shall have the right to settle any claim covered by the policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in subdivision (b) of subsection (2) of this section.

(d) The policy, the written application therefor, if any, and any rider or endorsement which does not conflict with the provisions of this chapter shall constitute the entire contract between the parties.

(7) Excess or additional coverage. Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy and such excess or additional coverage shall not be subject to the provisions of this chapter. With respect to a

policy which grants such excess or additional coverage the term "motor vehicle liability policy" shall apply only to that part of the coverage which is required by this section.

(8) Reimbursement provision permitted. Any motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this act.

(9) Proration of insurance permitted. Any motor vehicle liability policy may provide for the prorating of the insurance thereunder with other valid and collectible insurance.

(10) Multiple policies. The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carrier which policies together meet such requirements.

(11) Binders. Any binder issued pending the issuance of a motor vehicle liability policy shall be deemed to fulfill the requirements for such a policy.

SEC. 50. When an insurance carrier has certified a motor vehicle liability policy under section 46 or section 47 of this act the insurance so certified shall not be canceled or terminated until at least ten days after a notice of cancellation or termination of the insurance so certified shall be filed in the department, except that such a policy subsequently procured and certified shall, on the effective date of its certification, terminate the insurance previously certified with respect to any vehicle designated in both certificates.

Notice of cancellation, termination, of certified policy.

SEC. 51. (1) This act shall not be held to apply to or affect policies of automobile insurance against liability which may now or hereafter be required by any other law of this state, and such policies, if they contain an agreement or are endorsed to con-

Act not to affect other policies.

form with the requirements of this act, may be certified as proof of financial responsibility under this act.

(2) This act shall not be held to apply to or affect policies insuring solely the insured named in the policy against liability resulting from the maintenance or use by persons in the insured's employ or on his behalf of vehicles not owned by the insured.

Financial  
responsibility  
act—Proof for  
future. Bond  
as proof.

SEC. 52. Proof of financial responsibility may be evidenced by the bond of a surety company duly authorized to transact business within this state, or a bond with at least two individual sureties each owning real estate within this state, and together having equities equal in value to at least twice the amount of the bond, which real estate shall be scheduled in the bond approved by a judge of the superior court, which said bond shall be conditioned for payment of the amounts specified in section 26 of this act. Such bond shall be filed with the department and shall not be cancellable except after ten days written notice to the department.

Bond as lien,  
when.

SEC. 53. Before a bond with individual sureties is accepted by the department it shall be recorded as other instruments affecting real property in the county or counties wherein any real estate scheduled in such bond is located. Such bond shall constitute a lien from the date of such recording in favor of the state upon the real estate so scheduled of any surety, which lien shall exist in favor of any holder of a final judgment against the person who has filed such bond, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damage because of injury to or destruction of property, including the loss of use thereof, resulting from the ownership, maintenance, use or operation of a vehicle of a type subject to registration under the laws of this state after such bond was filed.



SEC. 54. If a judgment, rendered against the principal on any bond described in section 52 of this act, shall not be satisfied within thirty days after it has become final, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action or actions in the name of the state against the company or persons executing such bond, including an action or proceeding to foreclose any lien that may exist upon the real estate of a person who has executed such bond. Such an action to foreclose a lien shall be prosecuted in the same manner as an action to foreclose a mortgage on real estate.

Action on  
bond.

SEC. 55. Proof of financial responsibility may be evidenced by the certificate of the state treasurer that the person named therein has deposited with him twenty-five thousand dollars in cash, or securities such as may legally be purchased by savings banks or for trust funds of a market value of twenty-five thousand dollars. The state treasurer shall not accept any such deposit and issue a certificate therefor and the department shall not accept such certificate unless accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the county where the depositor resides.

Money or  
securities as  
proof.

SEC. 56. Such deposit shall be held by the state treasurer to satisfy, in accordance with the provisions of this act, any execution on a judgment issued against such person making the deposit, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, resulting from the ownership, maintenance, use or operation of a vehicle of a type subject to registration under the laws of this state after such deposit was made. Money or securities so deposited shall not be subject

Deposit,  
permissible  
application of.

to attachment or execution unless such attachment or execution shall arise out of a suit for damages as aforesaid. Any interest or other income accruing to such money or securities, so deposited, shall be paid by the state treasurer to the depositor, or his order, as received.

Financial responsibility act—Proof for future. Owner may give proof for others.

SEC. 57. The owner of a motor vehicle may give proof of financial responsibility on behalf of his employee or a member of his immediate family or household in lieu of the furnishing of proof by any said person. The furnishing of such proof shall permit such person to operate only a motor vehicle covered by such proof. The department shall endorse appropriate restrictions on the license held by such person, or may issue a new license containing such restrictions.

Substitution of proof.

SEC. 58. 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 thereto upon the substitution and acceptance of other adequate proof of financial responsibility pursuant to this act.

Other proof may be required.

SEC. 59. Whenever any proof of financial responsibility filed under the provisions of this act no longer fulfills the purposes for which required, the department shall, for the purpose of this act, require other proof as required by this act and shall suspend the license and registration pending the filing of such other proof.

Duration of proof—When proof may be cancelled or returned.

SEC. 60. (1) The department shall upon request consent to the immediate cancellation of any bond or certificate of insurance, or the department shall direct and the state treasurer shall return to the person entitled thereto any money or securities deposited pursuant to this act as proof of financial

responsibility, or the department shall waive the requirement of filing proof, in any of the following events:

(a) At any time after three years from the date such proof was required when, during the three-year period preceding the request, the department has not received record of a conviction or a forfeiture of bail which would require or permit the suspension or revocation of the license of the person by or for whom such proof was furnished; or

(b) In the event of the death of the person on whose behalf such proof was filed or the permanent incapacity of such person to operate a motor vehicle; or

(c) In the event the person who has given proof surrenders his license to the department;

(2) Provided, however, that the department shall not consent to the cancellation of any bond or the return of any money or securities in the event any action for damages upon a liability covered by such proof is then pending or any judgment upon any such liability is then unsatisfied, or in the event the person who has filed such bond or deposited such money or securities has within one year immediately preceding such request been involved as a driver or owner in any motor vehicle accident resulting in injury or damage to the person or property of others. An affidavit of the applicant as to the non-existence of such facts, or that he has been released from all of his liability, or has been finally adjudicated not to be liable, for such injury or damage, shall be sufficient evidence thereof in the absence of evidence to the contrary in the records of the department.

(3) Whenever any person whose proof has been canceled or returned under subdivision (1) (c) of this section applies for a license within a period of three years from the date proof was originally re-

quired, any such application shall be refused unless the applicant shall reestablish such proof for the remainder of such three-year period.

Financial  
responsibility  
act. Surrender  
of license  
required—  
Penalty upon  
failure.

SEC. 61. (1) Any person whose license shall have been suspended under any provision of this act, or whose policy of insurance or bond, when required under this act, shall have been canceled or terminated, shall immediately return his license to the department. If any person shall fail to return to the department the license as provided herein, the department shall forthwith direct any peace officer to secure possession thereof and to return the same to the department.

(2) Any person wilfully failing to return license as required in paragraph (1) of this section shall be guilty of a misdemeanor.

Forging proof  
—Penalty.

SEC. 62. Any person who shall forge, or, without authority, sign any evidence of proof of financial responsibility for the future, or who files or offers for filing any such evidence of proof knowing or having reason to believe that it is forged or signed without authority, shall be guilty of a gross misdemeanor.

Self-insurers.

SEC. 63. (1) Any person in whose name more than twenty-five vehicles are registered in this state may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the department as provided in subsection (2) of this section.

(2) The department may, in its discretion, upon the application of such a person, issue a certificate of self-insurance when it is satisfied that such person is possessed and will continue to be possessed of ability to pay judgment obtained against such person. Such certificate may be issued authorizing a person to act as a self-insurer for either property damage or bodily injury, or both.

(3) Upon not less than five days' notice and a hearing pursuant to such notice, the department may upon reasonable grounds cancel a certificate of self-insurance. Failure to pay any judgment within thirty days after such judgment shall have become final shall constitute a reasonable ground for the cancellation of a certificate of self-insurance.

SEC. 64. Nothing in this act shall be construed as preventing the plaintiff in any action at law from relying for relief upon the other processes provided by law.

Act not to prevent other process.

SEC. 65. Section 27, chapter 21, Laws of 1961 first extraordinary session and RCW 46.52.130 are each amended to read as follows:

RCW 46.52.130 amended.

The director shall upon request furnish any insurance company or its agent, having or considering the issuance of a policy of insurance a certified abstract of the operating record of any person, covering a period of not less than five years past, whenever possible, which abstract shall include an enumeration of motor vehicle accidents in which such person has been involved and any reported convictions or forfeitures of bail of such person upon a charge of violating any motor vehicle law. Such enumeration shall include any reports of failure to appear in response to a traffic citation served upon such person by an arresting officer. In addition thereto the director shall furnish such record to the person whose driving record is involved, upon such person's request.

Abstract of operating record to be furnished insurance company, operator—Fee—Record confidential—Penalty.

The director shall collect for each such abstract the sum of one dollar fifty cents which shall be deposited in the motor vehicle operators' records revolving fund.

Any insurance company or its agent receiving such certified abstract shall use it exclusively for its own underwriting purposes and shall not divulge

any of the information therein contained to a third party.

Any violation of this section shall be a misdemeanor, punishable by a fine of one hundred dollars.

RCW 46.52.140 amended.

SEC. 66. Section 28, chapter 21, Laws of 1961 extraordinary session and RCW 46.52.140 are each amended to read as follows:

Motor vehicle operators' revolving fund —Use.

There is hereby created a special fund to be designated "motor vehicle operators' revolving fund" in the custody of the treasurer and to the credit of which shall be deposited all moneys directed by law to be deposited therein. This fund shall be for the use of the department of licenses to pay the cost of furnishing abstracts of operating records of motor vehicle operators, for maintaining such case records and for administering the financial responsibility laws of this state. Disbursements from said fund shall be paid by the treasurer upon vouchers duly and regularly issued therefor and approved by the director of licenses.

Financial responsibility act, Divisions —Construction.

SEC. 67. Sections 1 through 64 of this act shall be codified as a single chapter of the revised code of Washington. Sections 1 through 5 of this act shall be captioned "ADMINISTRATION." Sections 6 through 24 of this act shall be captioned "SECURITY FOLLOWING ACCIDENT." Sections 25 through 60 of this act shall be captioned "PROOF OF FINANCIAL RESPONSIBILITY FOR THE FUTURE." Sections 61 through 62 of this act shall be captioned "VIOLATIONS OF THIS CHAPTER." Sections 63 through 64 of this act shall be captioned "MISCELLANEOUS PROVISIONS RELATING TO FINANCIAL RESPONSIBILITY." Such captions and subsection headings, as used in this act, do not constitute any part of the law.

Severability.

SEC. 68. If any provision of this act, or its application to any person or circumstance is held invalid,

the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

SEC. 69. Sections 46.24.010 through 46.24.910 and sections 46.28.010 through 46.28.200, chapter 12, Laws of 1961 and RCW 46.24.010 through 46.24.910 and RCW 46.28.010 through 46.28.200 are each repealed.

Repeal—  
Savings.

Such repeals shall not be construed as affecting any existing right acquired under the statutes repealed, nor as affecting any proceeding instituted thereunder, nor any rule, regulation or order promulgated thereunder, nor any administrative action taken thereunder.

Passed the Senate February 26, 1963.

Passed the House March 14, 1963.

Approved by the Governor March 25, 1963.

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## CHAPTER 170.

[ S. B. 295. ]

### CITIES AND TOWNS—LEASES—PURCHASE OPTIONS.

AN ACT relating to cities and towns; and authorizing cities and towns to lease property with or without options to purchase under certain conditions.

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. Any city or town may execute leases for a period of years with or without an option to purchase with the state or any of its political subdivisions, with the government of the United States, or with any private party for the lease of any real or personal property, or property rights, if the annual rental specified in such lease does not result in a total indebtedness in excess of one and one-half percent of the taxable property of such city or town computed in accordance with RCW 39.36.030: *Pro-*

Cities and  
towns—  
Leases, with or  
without op-  
tions to  
purchase.