

§ 345. Motor vehicle liability policy. (a) A "motor vehicle liability policy" as said term is used in this article shall mean an owner's or an operator's policy of liability insurance certified as provided in section three hundred forty-three or section three hundred forty-four as proof of financial responsibility, and issued except as otherwise provided in section three hundred forty-four, by an insurance carrier duly authorized to transact business in this state to or for the benefit of the person named therein as insured.

(b) Such owner's policy of liability insurance

(1) Shall designate by explicit description or by appropriate reference, all motor vehicles with respect to which coverage is thereby intended to be granted.

(2) Shall insure as insured the person named therein and any other person using or responsible for the use of any such motor vehicle or motor vehicles with the consent, express or implied, of such named insured.

(3) Shall insure the insured or such other person against loss from the liability imposed by law for damages, including damages for care and loss of services because of bodily injury to or death of any person and injury to or destruction of property arising out of the ownership, maintenance, use, or operation of such motor vehicle or motor vehicles within the state of New York, or elsewhere in the United States in North America or the Dominion of Canada, subject to a limit, exclusive of interest and cost, with respect to each such motor vehicle, except a tow truck, of twenty-five thousand dollars because of bodily injury to or fifty thousand dollars because of death of one person in any one accident and, subject to said limit for one person, to a limit of fifty thousand dollars because of bodily injury to or one hundred thousand dollars because of death of two or more persons in any one accident, and to a limit of ten thousand dollars because of injury to or destruction of property of others in any one accident. The limit, exclusive of interest and costs, with respect to a tow truck shall be a combined single limit of three hundred thousand dollars because of bodily injury of death to one or more persons or because of injury or destruction of property of others in any one accident, and to a limit of twenty-five thousand dollars because of damage to a vehicle in the care, custody and control of the insured.

(c) Such operator's policy of liability insurance shall insure the person named therein as insured against loss from the liability imposed upon him by law for damages, including damages for care and loss of services, because of bodily injury to or death of any person and injury to or destruction of property 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.

(d) Such motor vehicle liability policy shall provide for 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 that the insurance thereunder is provided in accordance with the coverage defined in this article as respects bodily injury and death or property damage or both and is subject to all the provisions of this article.

(e) Such motor vehicle liability policy shall not insure any liability on account of bodily injury to or death of an employee of the insured for which benefits are payable under any workmen's compensation law. Nor is any such policy required to insure any liability on account of (1) damage to property of others in charge of the insured or of his agents or employees (2) bodily injury to or death of the insured, or (3) except as provided in paragraphs one and two of subsection (g) of section three thousand four hundred twenty of the insurance law, bodily injury to or death of the spouse of the insured, or for injury to property of the spouse of the insured; and any insurance of any such liability afforded by such a policy shall be subject to the provisions of subsection (f) of this section.

(f) Such motor vehicle liability policy may, however, grant any lawful coverage in excess of or in addition to the coverage herein specified and such excess or additional coverage shall not be subject to the provisions of this article.

(g) Several policies of one or more insurance carriers which together meet the requirements of this section shall be termed "motor vehicle liability policy" within the meaning of this article.

(h) No motor vehicle liability policy shall be issued or delivered in this state until a copy of the form of policy shall have been on file with the superintendent of financial services for at least thirty days,

unless sooner approved in writing by the superintendent of financial services, nor if within said period of thirty days the superintendent of financial services shall have notified the carrier in writing that in his opinion, specifying the reasons therefor, the form of policy does not comply with the laws of this state. The superintendent of financial services shall approve any form of policy which discloses the name and address of the insured, the coverage afforded by such policy, the premium charged therefor, the policy period, the limit of liability and the agreement that the insurance thereunder is provided in accordance with the coverage defined in this section and is subject to all the provisions of this article.

(i) Every motor vehicle liability policy shall be subject to the following provisions which need not be contained therein:

(1) 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 carrier to make payment on account of such loss or damage. No such policy shall be cancelled or annulled as respects any loss or damage by any agreement between the carrier and the insured after the said insured has become responsible for such loss or damage, and any such cancellation or annulment shall be void. If the death of the insured shall occur after the insured has become liable during the policy period for loss or damage covered by the policy, the policy shall not be deemed terminated by such death with respect to such liability and the company shall be liable thereunder in the same manner and to the same extent as though death had not occurred. Upon the recovery of a final judgment against any person for any such loss or damage, if the judgment debtor or the decedent whom he represents 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. But the policy may provide that the insured, or any other person covered by the policy, shall reimburse the company for payments made on account of any accident, claim or suit involving a breach of the terms, provisions or conditions of the policy; and further, if the policy shall provide for limits in excess of the limits designated in this section,

the insurance carrier may plead against such judgment creditor, with respect to the amount of such excess limits of liability, any defenses which it may be entitled to plead against the insured. Any such policy may further provide for the prorating of the insurance thereunder with other applicable valid and collectible insurance. 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. 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 limits provided in subdivision (b) of this section.

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

(3) Any insurance carrier authorized to issue motor vehicle liability policies as provided for in this article may, pending the issue of such a policy, execute an agreement, to be known as a binder; or may, in lieu of such a policy issue an indorsement to an existing policy; each of which shall be construed to provide indemnity or protection in like manner and to the same extent as such a policy. The provisions of this section shall apply to such binders and endorsements.