§ 353. When commissioner may release proof. The commissioner shall upon request consent to the cancellation of any bond or insurance policy or return to the person entitled thereto any money or securities, deposited pursuant to this article as proof of financial responsibility, or waive the requirement of filing proof of financial responsibility in any of the following events:

(1) 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

(2) In the event the person who has given proof of financial responsibility surrenders his operator's or chauffeur's license, registration certificates and registration plates to the commissioner, but the commissioner shall not release such proof in the event any action for damages upon a liability referred to in this article is then pending, or any judgment upon any such liability then outstanding and unsatisfied, or in the event the commissioner has received notice that such person has within the period of three months immediately preceding been involved as a driver in any motor vehicle accident. An affidavit of the applicant of the non-existence of such facts shall be sufficient evidence thereof in the absence of evidence to the contrary in the records of the bureau.

Whenever any person to whom proof has been surrendered, as provided in this section, applies for an operator's or chauffeur's license or the registration of a motor vehicle, any such application shall be refused unless the applicant shall reestablish such proof.