

327B.6 Insurance or bond.

1. Registration under section 327B.1 shall not be granted until the exempt carrier has filed with the state department of transportation evidence of insurance or surety bond issued by an insurance carrier or bonding company authorized to do business in this state in a form prescribed by the department. The minimum limits of liability for each interstate motor carrier for hire subject to federal minimum limits of liability are those adopted under United States Code, Title 49, and prescribed in 49 C.F.R. § 387.3 and § 387.9 for motor carriers of property and in 49 C.F.R. § 387.27 and § 387.33 for motor carriers of passengers.

2. The insurance policy or surety bond shall bind the insurance company or bonding company to make compensation to claimants for the carrier's liability. The insurance policy or surety bond shall also provide that a person having a cause of action against the carrier may bring action directly upon the policy or bond when service cannot be obtained on the interstate carrier within this state.

3. Failure to keep insurance or bond in effect at all times shall cause the registration of the interstate carrier to be revoked.

4. This section is repealed on the transition termination date referred to in section 327B.1, subsection 2, paragraph "b".

[C81, § 327B.6; 82 Acts, ch 1150, § 8, 9]

90 Acts, ch 1226, § 5; 95 Acts, ch 118, §32; 2007 Acts, ch 143, §28, 35

State department of transportation to notify Code editor of transition termination date described in subsection 4 as date of section repeal; 2007 Acts, ch 143, §31