

to the effect that the owner has secured for each commercial motor vehicle to be operated in this State:

(1) Either a bond in a form to be approved by the Commissioner of Motor Vehicles in a company duly licensed to do business in this State, conditioned on the payment to the holder of any judgment recovered against the owner of the motor vehicle for death or personal injury to any person or persons other than passengers arising out of the operation in this State of said motor vehicle up to at least \$5,000 for one person in any one accident, and up to at least \$10,000 total liability for two or more persons in any one accident, and conditioned on the payment to the holder of any judgment recovered against the owner of the motor vehicle for damage to personal or real property other than goods carried arising out of the operation in this State of said motor vehicle up to at least \$1,000 in any one accident;

(2) Or an insurance policy as follows: An insurance policy in a form to be approved by the Commissioner of Motor Vehicles in a company duly licensed to do business in this State, which will insure the owner against any judgment which may be recovered against the owner of the motor vehicle for death or personal injury to any person or persons other than passengers arising out of the operation in this State of said motor vehicle up to at least \$5,000 for any one person in any one accident, and up to at least \$10,000 total liability for two or more persons in any one accident, and which will insure the owner against any judgment which may be recovered against him for damage to personal or real property other than goods carried arising out of the operation in this State of said motor vehicle up to at least \$1,000 in any one accident; provided, however, that owners who file with the Commissioner of Motor Vehicles satisfactory proof of their financial ability to pay any judgment rendered against them as aforesaid shall not be required to provide either a bond or the insurance policy mentioned in the preceding section.

(c) The liability of the obligor under the bond or the insurer under the insurance policy herein provided for shall become absolute whenever loss or damage covered by such bond or policy occurs, and the satisfaction by the owners of a final judgment for such loss or damage shall not be a condition precedent to the right or obligation of the said obligor or insurer to make payment on account of such loss or damage, provided always that the obligor or insurer 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 the bond or policy. Any cancellation or annulment shall be void unless the Commissioner of Motor Vehicles shall be notified by the obligor or insurer of said cancellation or annulment at least thirty (30) days before the effective date of such cancellation or annulment, and until such notice shall be duly given such bond or policy shall continue in full force and effect, and if any bond or policy certified under the provisions of this Section shall expire, the Commissioner shall be notified at least thirty (30) days before the effective date of such expiration, and until such notice shall be duly given such bond or policy shall continue in full force and effect, provided, however, that no bond or policy shall be cancelled or annulled as respects any loss or damage by any agreement between the obligor or insurer and the owner after the owner has become responsible for such loss or damage. When any bond or policy of an owner has been cancelled, annulled or has expired, the Commissioner of Motor Vehicles shall revoke the permit of