

(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 owner 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