

1 SB137
2 126537-1
3 By Senator Orr
4 RFD: Judiciary
5 First Read: 01-MAR-11

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8 SYNOPSIS: This bill would: Require the verification of
9 motor vehicle liability insurance or other methods
10 of financial responsibility allowed by law prior to
11 motor vehicle registration and re-registration;
12 allow the Department of Revenue and law enforcement
13 to electronically verify motor vehicle liability
14 insurance or other methods of financial
15 responsibility allowed by law with an online
16 insurance verification system; and allow the
17 verification of a motor vehicle liability policy as
18 evidence of financial responsibility through the
19 online insurance verification system on motor
20 vehicles insured under personal insurance coverage.

21
22 A BILL

23 TO BE ENTITLED

24 AN ACT

25
26 To amend Sections 32-7-19, 32-7-20, 32-7-22,
27 32-7-24, 32-7A-2, 32-7A-3, 32-7A-4, 32-7A-5, 32-7A-6, 32-7A-7,

1 and 32-7A-8, Code of Alabama 1975, relating to the
2 verification of a motor vehicle liability policy as evidence
3 of financial responsibility through the online insurance
4 verification system on motor vehicles insured under personal
5 insurance coverage and to establish an online insurance
6 verification system on motor vehicles insured under personal
7 insurance coverage; to repeal Sections 32-7A-9 to 32-7A-22,
8 Code of Alabama 1975; to add Sections 32-7A-9 to 32-7A-25 to
9 the Code of Alabama 1975; relating to mandatory motor vehicle
10 liability insurance or other methods of financial
11 responsibility allowed by law, to require the verification of
12 motor vehicle liability insurance or other methods of
13 financial responsibility allowed by law prior to motor vehicle
14 registration and re-registration, and to allow the Department
15 of Revenue and law enforcement to electronically verify motor
16 vehicle liability insurance or other methods of financial
17 responsibility allowed by law with an online insurance
18 verification system; and to add Sections 32-7B-1, 32-7B-2,
19 32-7B-3, 32-7B-4, 32-7B-5, and 32-7B-6 to the Code of Alabama
20 1975, relating to the establishment of an online insurance
21 verification system on motor vehicles insured under personal
22 insurance coverage.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Sections 32-7-19, 32-7-20, 32-7-22, and
25 32-7-24, Code of Alabama 1975, are amended to read as follows:

26 "§32-7-19.

1 "(a) Proof of financial responsibility when required
2 under this chapter with respect to a motor vehicle or with
3 respect to a person who is not the owner of a motor vehicle
4 may be given by filing:

5 "(1) A certificate of insurance as provided in
6 Section 32-7-20 or Section 32-7-21; or

7 "(2) A bond as provided in Section 32-7-26; or

8 "(3) A certificate of deposit of money or securities
9 as provided in Section 32-7-27; or

10 "(4) A certificate of self-insurance, as provided in
11 Section 32-7-34, supplemented by an agreement by the
12 self-insurer that, with respect to accidents occurring while
13 the certificate is in force, he or she will pay the same
14 judgments and in the same amounts that an insurer would have
15 been obligated to pay under an owner's motor vehicle liability
16 policy if it had issued such a policy to the self-insurer.

17 "(b) Proof of financial responsibility relating to a
18 motor vehicle liability policy when required under this
19 chapter with respect to a motor vehicle or with respect to a
20 person who is not the owner of a motor vehicle may be verified
21 through the online insurance verification system of Chapter 7B
22 of Title 32 and Chapter 7A of Title 32.

23 "~~(b)~~ (c) No motor vehicle shall be or continue to be
24 registered in the name of any person required to file proof of
25 financial responsibility unless such proof shall be furnished
26 for such motor vehicle.

27 "§32-7-20.

1 "(a) Proof of financial responsibility may be
2 furnished by filing with the director the written certificate
3 of any insurance carrier duly authorized to do business in
4 this state certifying that there is in effect a motor vehicle
5 liability policy for the benefit of the person required to
6 furnish proof of financial responsibility. Such certificate
7 shall give the effective date of such motor vehicle liability
8 policy, which date shall be the same as the effective date of
9 the certificate, and shall designate by explicit description
10 or by appropriate reference all motor vehicles covered
11 thereby, unless the policy is issued to a person who is not
12 the owner of a motor vehicle.

13 "(b) Proof of financial responsibility relating to a
14 motor vehicle liability policy may be verified through the
15 online insurance verification system of Chapter 7B of Title 32
16 and Chapter 7A of Title 32.

17 "~~(b)~~ (c) No motor vehicle shall be or continue to be
18 registered in the name of any person required to file proof of
19 financial responsibility unless such motor vehicle is so
20 designated in such a certificate.

21 "§32-7-22.

22 "(a) A motor vehicle liability policy, as the term
23 is used in this chapter, means an owner's or an operator's
24 policy of liability insurance, certified as provided in
25 Section 32-7-20 or Section 32-7-21 as proof of financial
26 responsibility, and issued, except as otherwise provided in
27 Section 32-7-21, by an insurance carrier duly authorized to

1 transact business in this state, to or for the benefit of the
2 person named in the policy as insured.

3 "(b) The owner's policy of liability insurance:

4 "(1) Shall designate by explicit description or by
5 appropriate reference all motor vehicles to be insured; and

6 "(2) Shall insure the person named in the policy and
7 any other person, as insured, using any motor vehicle or motor
8 vehicles designated in the policy with the express or implied
9 permission of the named insured, against loss from the
10 liability imposed by law for damages arising out of the
11 ownership, maintenance, or use of such motor vehicle or motor
12 vehicles within the United States of America or the Dominion
13 of Canada, subject to limits exclusive of interest and costs,
14 with respect to each such motor vehicle, ~~as follows:~~

15 ~~Twenty-five thousand dollars (\$25,000) because of bodily~~
16 ~~injury to or death of one person in any one accident and,~~
17 ~~subject to the limit for one person, fifty thousand dollars~~
18 ~~(\$50,000) because of bodily injury to or death of two or more~~
19 ~~persons in any one accident; and twenty-five thousand dollars~~
20 ~~(\$25,000) because of injury to or destruction of property of~~
21 ~~others in any one accident~~ in the amount of not less than the
22 minimum amounts set for bodily injury or death and for
23 destruction of property under subsection (c) of Section
24 32-7-6.

25 "(c) The operator's policy of liability insurance
26 shall insure the person named as insured in the policy against
27 loss from the liability imposed upon him or her by law for

1 damages arising out of the use by him or her of any motor
2 vehicle not owned by him or her, within the same territorial
3 limits and subject to the same limits of liability as are set
4 forth above with respect to an owner's policy of liability
5 insurance.

6 "(d) The motor vehicle liability policy shall state
7 the name and address of the named insured, the coverage
8 afforded by the policy, the premium charged for the policy,
9 the policy period, and the limits of liability and shall
10 contain an agreement or be endorsed that insurance is provided
11 under the policy in accordance with the coverage defined in
12 this chapter for bodily injury and death or property damage,
13 or both, and is subject to all the provisions of this chapter.

14 "(e) The motor vehicle liability policy need not
15 insure any liability under any workers' compensation law nor
16 any liability on account of bodily injury to or death of an
17 employee of the insured while engaged in the employment, other
18 than domestic, of the insured, or while engaged in the
19 operation, maintenance, or repair of any motor vehicle nor any
20 liability for damage to property owned by, rented to, in
21 charge of or transported by the insured.

22 "(f) Every motor vehicle liability policy shall be
23 subject to the following provisions which need not be
24 contained in the policy:

25 "(1) The liability of the insurance carrier with
26 respect to the insurance required by this chapter shall become
27 absolute whenever injury or damage covered by the motor

1 vehicle liability policy occurs. The policy may not be
2 cancelled or annulled as to that liability by any agreement
3 between the insurance carrier and the insured after the
4 occurrence of the injury or damage. Any statement made by the
5 insured or on his or her behalf and any violation of the
6 policy shall not defeat or void the policy.

7 "(2) The satisfaction by the insured of a judgment
8 for injury or damage shall not be a condition precedent to the
9 right or duty of the insurance carrier to make payment on
10 account of injury or damage.

11 "(3) The insurance carrier shall have the right to
12 settle any claim covered by the policy, and if the settlement
13 is made in good faith, the amount of the settlement shall be
14 deductible from the limits of liability specified in
15 subdivision (2) of subsection (b) of this section.

16 "(4) The policy, the written application for the
17 policy, if any, and any rider or endorsement which does not
18 conflict with this chapter shall constitute the entire
19 contract between the parties.

20 "(g) Any policy which grants the coverage required
21 for a motor vehicle liability policy may also grant any lawful
22 coverage in excess of or in addition to the coverage specified
23 for a motor vehicle liability policy, and the excess or
24 additional coverage shall not be subject to this chapter. With
25 respect to a policy which grants any excess or additional
26 coverage, the term "motor vehicle liability policy" shall

1 apply only to that part of the coverage which is required by
2 this section.

3 "(h) Any motor vehicle liability policy may provide
4 that the insured shall reimburse the insurance carrier for any
5 payment the insurance carrier would not have been obligated to
6 make under the terms of the policy except for this chapter.

7 "(i) Any motor vehicle liability policy may provide
8 for the prorating of the insurance by its terms with other
9 valid and collectible insurance.

10 "(j) The requirements for a motor vehicle liability
11 policy may be fulfilled by the policies of one or more
12 insurance carriers which policies together meet the
13 requirements for a policy.

14 "(k) Any binder issued pending the issuance of a
15 motor vehicle liability policy shall be deemed to fulfill the
16 requirements for a policy.

17 "§32-7-24.

18 "(a) When an insurance carrier has certified a motor
19 vehicle liability policy under Section 32-7-20 or a policy
20 under Section 32-7-21, the insurance so certified shall not be
21 cancelled or terminated until at least 10 days after a notice
22 of cancellation or termination of the insurance so certified
23 shall be filed in the office of the director; except, that
24 such a policy subsequently procured and certified shall, on
25 the effective date of its certification, terminate the
26 insurance previously certified with respect to any motor
27 vehicle designated in both certificates.

1 "(b) When the director has verified evidence of a
2 motor vehicle liability policy using the online insurance
3 verification system under subsection (b) of Section 32-7-20,
4 the director shall continue to verify evidence of a motor
5 vehicle liability policy using the online insurance
6 verification system under subsection (b) of Section 32-7-20
7 for the applicable period.

8 Section 2. Sections 32-7A-2 to 32-7A-8, Code of
9 Alabama 1975, are amended to read as follows:

10 "§32-7A-2.

11 "For the purposes of this chapter, the following
12 terms shall have the following meanings respectively ascribed
13 to them in this section, except in those instances where the
14 context clearly indicates a different meaning:

15 "(1) CERTIFICATE OF INSURANCE. A document issued by
16 an insurer or its authorized representative showing that a
17 specific vehicle is insured ~~for liability~~ for no less than the
18 minimum limits of liability coverage for bodily injury or
19 death and for destruction of property under subsection (c) of
20 Section 32-7-6.

21 "(2) COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
22 POLICY. An insurance policy that:

23 "a. Is written on either a commercial coverage or
24 other commercially rated personal policy form, including, but
25 not limited to, a commercial auto, garage, or truckers form,
26 and is not dependent on the type, number, or ownership of
27 vehicle or entity covered or insured.

1 "b. Insures vehicles that are not identified
2 individually by vehicle identification number on the policy.

3 "(3) COMMISSIONER. The Commissioner of the
4 Department of Revenue or his or her designee.

5 "(2)(4) DEALER. Any person dealing in, buying,
6 selling, exchanging, advertising, or negotiating the sale of
7 motor vehicles and licensed under the provisions of Section
8 40-12-391.

9 "(3)(5) DECLARATIONS PAGE. That part of an insurance
10 policy showing ~~all of the pertinent information,~~ the name of
11 the insured, insuring company, the vehicle make, the year
12 model, the vehicle identification number (VIN), the policy
13 number, the amount of coverage or coverages, and the effective
14 and expiration dates of the policy.

15 "(4)(6) DEPARTMENT. The Department of Revenue.

16 "(5)(7) DEPOSIT OF CASH. Funds deposited with and
17 held by the State Treasurer as security for payment by the
18 depositor, or by any person responsible for the depositor's
19 motor vehicle with his or her express or implied consent, of
20 all judgments rendered against the depositor or other
21 authorized operator of the depositor's motor vehicle arising
22 from injury, death, or damage sustained through use,
23 operation, maintenance, or control of the motor vehicle within
24 the State of Alabama.

25 "(6)(8) DIRECTOR. The Director of Public Safety of
26 the State of Alabama, or his or her designee.

1 "~~(7)~~ DISPLAY. The temporary manual surrender of the
2 evidence of insurance into the hands of the law enforcement
3 officer making the request for the officer's inspection
4 thereof as provided in Section ~~32-7A-6~~.

5 "~~(8)~~ (9) INSURANCE BINDER. A document issued by an
6 insurer or its authorized representative showing that a
7 specific vehicle is insured for no less than the minimum
8 limits of liability coverage for bodily injury or death and
9 for destruction of property under subsection (c) of Section
10 32-7-6.

11 "(10) INSURANCE COMMISSIONER. The Commissioner of
12 the Department of Insurance, or his or her designee.

13 "~~(9)~~ (11) LIABILITY INSURANCE POLICY. An owner's or
14 an operator's personal automobile liability insurance policy
15 of liability insurance, issued by an insurance carrier duly
16 authorized to transact business in this state, ~~to or for the~~
17 ~~benefit of the person or vehicle identified in the policy as~~
18 ~~insured~~.

19 "~~(10)~~ (12) MOTOR VEHICLE. Every self-propelled
20 vehicle that is designed ~~and manufactured~~ to be operated on
21 the streets and highways of Alabama, but not operated upon
22 rails.

23 "~~(11)~~ (13) MOTOR VEHICLE LIABILITY BOND. A bond of a
24 surety company duly authorized to transact business in this
25 state, which is conditioned for payments in amounts and under
26 the same circumstances as would be required in a motor vehicle
27 liability insurance policy.

1 "(14) NAIC NUMBER. This is a unique identification
2 number assigned to the insurance company by the National
3 Association of Insurance Commissioners.

4 "(15) NON-ADMITTED COMPANY. An insurance company not
5 licensed to conduct business in this state which sells
6 coverage that is unavailable from licensed insurers within
7 this state.

8 "(16) NON-OWNER POLICY. An insurance policy issued
9 for persons who drive but do not own the insured vehicle.

10 "(17) ONLINE INSURANCE VERIFICATION SYSTEM. An
11 online insurance verification system using web services as
12 defined in Section 32-7B-2(6).

13 "~~(12)~~(18) OPERATOR. Every person who is in actual
14 physical control of a motor vehicle.

15 "~~(13)~~(19) OWNER. Any of the following persons:

16 "a. A person or persons holding the legal title to a
17 motor vehicle, unless paragraph b. or c. is applicable.

18 "b. The mortgagor, debtor, conditional vendee, or
19 lessee of a vehicle that is the subject of a chattel mortgage,
20 lien, agreement for the conditional sale thereof, lease or
21 other like agreement with the right of purchase upon
22 performance of the conditions stated in the agreement and with
23 the immediate right of possession vested in the mortgagor,
24 debtor, conditional vendee, or lessee, in which event the
25 mortgagor, debtor, conditional vendee, or lessee shall be
26 deemed the owner for purposes of this chapter.

1 "c. The lessee of a vehicle owned by the United
2 States of America or any of its agencies or instrumentalities.

3 "~~(14)~~ (20) PERSON. Every natural person, firm,
4 partnership, association, estate, trust, corporation, limited
5 liability partnership, limited liability company, or other
6 entity.

7 "(21) REGISTRANT. Vehicle owner or operator, who is
8 issued a registration for a motor vehicle.

9 "~~(15)~~ (22) REGISTRATION. Certificate or certificates
10 and license plates issued under the laws of this state
11 pertaining to the registration of motor vehicles.

12 "~~(16)~~ (23) SIGNATURE. A unique mark, process, or
13 verification in a manner prescribed by the department, as
14 provided in Section 40-1-1.

15 "~~(17)~~ (24) STATE. Any state, territory or possession
16 of the United States, the District of Columbia, any province
17 or territory of the Dominion of Canada, or a state of the
18 Republic of Mexico.

19 "~~(18)~~ (25) SUSPENSION. The ~~temporary~~ withdrawal by
20 formal action of the department of a vehicle's registration
21 ~~for a period~~ as specified by this chapter.

22 "The terms "liability insurance policy," "deposit of
23 cash," and a "motor vehicle liability bond" are used
24 interchangeably throughout this chapter.

25 "§32-7A-3.

26 "(a) The department shall administer and enforce the
27 provisions of this chapter and shall make such reasonable

1 rules and regulations concerning any matter administered in
2 this chapter and shall provide for hearings upon the request
3 of persons aggrieved by orders or acts of the department under
4 the provisions of this chapter.

5 "(b) The department may prescribe and provide
6 suitable ~~forms, notices, and all other~~ notices and forms
7 necessary to carry out the provisions of this chapter.

8 "(c) The department may:

9 "(1) Make necessary investigations to procure
10 information required to carry out the provisions of this
11 chapter.

12 "(2) Suspend the motor vehicle registrations
13 pursuant to the provisions of this chapter.

14 "(d) At any time within 30 calendar days after the
15 rendition of any suspension, or decision under the provisions
16 of this chapter, any person may appeal to the administrative
17 law judge pursuant to Section 40-2A-8. After exhausting his or
18 her appeal rights provided under Section 40-2A-8, and, upon
19 providing evidence of payment of the reinstatement fee
20 provided in this chapter, the person may appeal to the circuit
21 court. The appeals to the administrative law judge or circuit
22 court shall be as provided in Section 40-2A-9.

23 "§32-7A-4.

24 "(a) No person shall operate, register, or maintain
25 registration of, and no owner shall permit another person to
26 operate, register, or maintain registration of, a motor
27 vehicle designed to be used on a public highway unless the

1 motor vehicle is covered by a liability insurance policy, a
2 commercial automobile liability insurance policy, motor
3 vehicle liability bond, or deposit of cash.

4 "(b) (1) The liability insurance policy or commercial
5 automobile liability insurance policy shall be issued in
6 amounts no less than the minimum amounts set for bodily injury
7 or death and for destruction of property under Section
8 32-7-6(c).

9 "(2) The motor vehicle liability bond shall be in
10 the amount of not less than ~~fifty thousand dollars (\$50,000)~~
11 the minimum amounts of liability coverage for bodily injury or
12 death and for destruction of property under subsection (c) of
13 Section 32-7-6. The bond shall be conditioned on the payment
14 of the amount of any judgment rendered against the principal
15 in the bond or any person responsible for the operation of the
16 principal's motor vehicle with his or her express or implied
17 consent, arising from injury, death, or damage sustained
18 through the use, operation, maintenance, or control of the
19 motor vehicle within the State of Alabama.

20 "(3) The deposit of cash with the State Treasurer
21 shall be ~~a sum of not less than fifty thousand dollars~~
22 ~~(\$50,000)~~ in the amount of not less than the minimum amounts
23 set for bodily injury or death and for destruction of property
24 under subsection (c) of Section 32-7-6.

25 "(c) Only an insurer authorized to do business in
26 this state shall issue a policy pursuant to this section for
27 any vehicle subject to registration under Chapter 12 of Title

1 40. Nothing herein shall deprive an insurer of any policy
2 defense available at common law.

3 "(d) Notwithstanding the provisions in subsection
4 (c), any insurance policies issued by non-admitted insurance
5 companies procured through Alabama licensed surplus lines
6 insurance brokers, pursuant to the provisions of Section
7 27-10-20 for the amounts prescribed under subsection (c) of
8 Section 32-7-6, shall be deemed to be in compliance with this
9 chapter provided the brokers are licensed with the Department
10 of Insurance and the brokers transfer all required insurance
11 information in the manner and frequency as prescribed by the
12 department.

13 "§32-7A-5.

14 "This chapter shall not apply to any of the
15 following vehicles or operators:

16 "(1) Trailers as defined in Section 40-12-240,
17 including, but not limited to, semitrailers, travel trailers,
18 boat trailers, pole trailers, and utility trailers.

19 "(2) Motor vehicles owned and operated by the United
20 States or any agency thereof, the State of Alabama, or any
21 political or governmental subdivision thereof.

22 "(3) Any motor vehicle which is subject to the
23 supervision and regulation of the Federal Motor Carrier Safety
24 Administration or the Alabama Public Service Commission and
25 for which the owner and/or operator has filed ~~with the~~
26 ~~commission a bond or insurance policy,~~ evidence of financial
27 responsibility, the liability under which is not less than

1 that required of the operator of a motor vehicle under the
2 terms of this chapter.

3 "(4) Motor vehicles covered by a certificate of
4 self-insurance issued by the director under the provisions of
5 Section 32-7-34.

6 "(5) Other motor vehicles complying with laws which
7 require the vehicles to be insured in amounts meeting or
8 exceeding the minimum amounts required under Section
9 32-7-6(c).

10 "(6) Implements of husbandry as defined in Section
11 32-8-2(5).

12 "(7) Any vehicle moved solely by animal power.

13 "(8) Special mobile equipment, as defined in Section
14 32-8-2(20).

15 "(9) Inoperable or stored motor vehicles that are
16 not operated, as defined by rules and regulations of the
17 department and not subject to the provisions of Section
18 32-7A-7.

19 "(10) Motor vehicles owned by a licensed motor
20 vehicle dealer, wholesaler, rebuilder, or reconditioner and
21 held ~~for sale~~ in inventory that are covered by a blanket
22 liability insurance policy or commercial automobile liability
23 insurance policy.

24 "(11) Vehicles properly registered in another
25 jurisdiction and not legally required to be registered
26 pursuant to Chapter 12 of Title 40.

1 "(12) Vehicles owned by a bank, a subsidiary or
2 affiliate of a bank, or finance company, acquired as an
3 incident to their regular business, that are covered by a
4 blanket liability insurance policy or commercial automobile
5 liability insurance policy.

6 "(13) Vehicles as prescribed by the commissioner
7 that are covered by a blanket liability insurance policy or
8 commercial automobile liability insurance policy.

9 "§32-7A-6.

10 "(a) Every operator of a motor vehicle subject to
11 the provisions of Section 32-7A-4 shall carry within the
12 vehicle evidence of insurance. The evidence shall be legible
13 and sufficient to demonstrate that the motor vehicle currently
14 is covered by a liability insurance policy or a commercial
15 automobile liability insurance policy as required under
16 Section 32-7A-4 and may include, but is not limited to, the
17 following:

18 "(1) An insurance card, or temporary insurance card,
19 provided by the insurer or an authorized representative under
20 this section.

21 "(2) The combination of proof of purchase of the
22 motor vehicle within the previous ~~60~~ 20 calendar days and a
23 current and valid insurance card issued for the motor vehicle
24 replaced by such purchase.

25 "(3) The current declarations page of a liability
26 insurance policy.

1 "(4) A liability insurance binder, or legible copy
2 thereof, certificate of liability insurance, or legible copy
3 thereof, ~~or receipt for payment to an insurer or its~~
4 ~~authorized representative for a liability insurance premium,~~
5 ~~or legible copy thereof;~~ provided such document contains all
6 information required in this chapter.

7 "(5) A current motor vehicle rental agreement for
8 the vehicle, which specifies insurance coverage by the rental
9 company or the operator in the minimum amounts, provided in
10 Section 32-7-6(c).

11 "(b) The insurer issuing the liability insurance
12 policy or the commercial automobile liability insurance policy
13 shall provide an insurance card for each motor vehicle insured
14 that shall contain the following information:

15 "(1) The vehicle year model.

16 "(2) The vehicle make.

17 "(3) The vehicle identification number (VIN).

18 "(4) The name of the insured(s).

19 "(5) The name of the insurance company.

20 "(6) The policy number, not required on temporary
21 insurance card.

22 "(7) The effective date and expiration date, which
23 shall cover a period of time not to exceed 12 months.

24 "(8) Insurance company's NAIC number.

25 "(c) Notwithstanding the foregoing, if the insurance
26 card is issued for a ~~fleet policy~~ commercial automobile
27 liability insurance policy, the card may state "FLEET,"

1 "COMMERCIAL," "COMMERCIAL POLICY," or "COMMERCIAL EXEMPT" in
2 lieu of vehicle years, makes, and VIN's; ~~and further provided~~
3 ~~that~~ if vehicle years, makes, and VIN's are not captured by
4 the insurer. If the vehicle years, makes, and VIN's are
5 captured by the insurer, then the insurer may provide such
6 information on the insurance card, but must state "FLEET,"
7 "COMMERCIAL," "COMMERCIAL POLICY," or "COMMERCIAL EXEMPT" on
8 the insurance card. If the insurance card is issued for a
9 nonowner policy, the card may state "NONOWNER POLICY" in lieu
10 of the vehicle year, make, and VIN.

11 "(d) The minimum size of the insurance card shall be
12 3" by 2 1/8", ~~with a minimum 20 pound paper stock required or~~
13 ~~the equivalent.~~ All required information shall be ~~displayed~~
14 printed on the front of the card. The insurance card may
15 include other information at the discretion of the insurer.
16 Insurance companies may allow authorized representatives to
17 issue temporary insurance cards to satisfy the requirements of
18 this chapter. Temporary insurance cards are not required to
19 have the policy number but shall contain all other required
20 information.

21 "(e) No insurer shall issue a card, similar in
22 appearance, form, and content to the insurance card required
23 under this section, in connection with an insurance policy
24 that does not provide the liability insurance coverage
25 required under Section 32-7A-4.

26 "(f) Insurance binders, certificates of liability
27 insurance, and ~~premium receipts, in order to qualify as proof~~

1 other evidence of insurance as required under this section,
2 must meet the following requirements (except where noted):

3 "(1) Insurance company name.

4 "(2) Policy number - not required on a binder or
5 ~~premium receipt~~ temporary insurance card.

6 "(3) Effective date.

7 "(4) Expiration date.

8 "(5) Name of insured(s).

9 "(6) Vehicle year model - not required if issued for
10 a ~~fleet~~ commercial automobile liability insurance policy or
11 for a nonowner policy.

12 "(7) Vehicle make - not required if issued for a
13 ~~fleet~~ commercial automobile liability insurance policy or for
14 a nonowner policy.

15 "(8) Vehicle identification number - not required if
16 issued for a ~~fleet~~ commercial automobile liability insurance
17 policy or for a nonowner policy.

18 "~~(9) Date of premium payment - required only on a~~
19 ~~premium receipt.~~

20 "~~(10)~~(9) Signature of authorized representative.

21 "(g) The combination proof of purchase of a motor
22 vehicle, as provided in subsection (a) above, shall consist of
23 a legible copy of the legal bill of sale if the motor vehicle
24 is not subject to the provisions of the Alabama Uniform
25 Certificate of Title and Antitheft Act, or the owner's copy of
26 the application for certificate of title for a ~~1975 and~~
27 ~~subsequent year model~~ motor vehicle subject to the provisions

1 of the Alabama Uniform Certificate of Title and Antitheft Act,
2 or an official copy of a current and valid Alabama temporary
3 registration receipt as authorized under Section 32-6-210 to
4 Section 32-6-219, inclusive, assigned to the vehicle being
5 operated Alabama certificate of title issued in the name of
6 the vehicle owner or operator.

7 "(h) The evidence of insurance shall be ~~displayed~~
8 presented upon request made by any law enforcement officer
9 wearing a uniform or ~~displaying~~ presenting a badge, or both or
10 other sign of authority. Any person who fails or refuses to
11 comply with such request is in violation of Section 32-7A-16
12 unless evidence of motor vehicle liability insurance or other
13 evidence of financial responsibility as provided in this
14 chapter is verified through the online insurance verification
15 system. Any person who ~~displays~~ presents evidence of
16 insurance, knowing there is no valid liability insurance in
17 effect on the motor vehicle as required under Section 32-7A-4
18 or knowing the evidence of insurance is illegally altered,
19 counterfeit, or otherwise invalid, is in violation of Section
20 32-7A-16.

21 "§32-7A-7.

22 "(a) The department may ~~select random samples of~~
23 review registrations of motor vehicles subject to Section
24 32-7A-4, or owners thereof, for the purpose of verifying
25 whether or not the motor vehicles are insured through an
26 online insurance verification system. If the department cannot
27 verify the insurance status of a vehicle using the online

1 insurance verification system or other such method for
2 deposits of cash or motor vehicle insurance liability bonds,
3 the department may send owners requests for information about
4 their motor vehicles and liability insurance in accordance
5 with subsections (d) and (e).

6 "(b) In addition to such ~~general random samples~~
7 review of motor vehicle registrations in subsection (a), the
8 department may select and review for verification other ~~random~~
9 ~~samples~~ sources of information including, but not limited to,
10 registrations of motor vehicles owned by persons:

11 "(1) Whose motor vehicle registrations ~~during the~~
12 ~~preceding four years~~ have been suspended pursuant to Section
13 ~~32-7A-9~~ 32-7A-12 or ~~32-7A-11~~ any other provision of this
14 chapter.

15 "(2) Who ~~during the preceding four years~~ have been
16 convicted of violating Section 32-7A-16 while operating
17 vehicles owned by other persons.

18 "(3) Whose driving privileges have been suspended or
19 revoked ~~during the preceding four years.~~

20 "(4) Who ~~during the preceding four years~~ have
21 received a disposition of supervision by the courts of this
22 state for a violation of the provisions of this chapter.

23 "(c) The director shall provide to the department,
24 in a manner designated by the department, the name of an owner
25 or operator of any motor vehicle involved in an accident
26 without liability insurance who is determined not to be
27 subject to the suspension by the director pursuant to the

1 provisions of Section 32-7-6. The director shall also provide
2 to the department, in a manner designated by the department,
3 the name of an owner or operator of any motor vehicle that has
4 been found in violation of Section 32-7A-16.

5 "The department may then verify whether or not at
6 the time of the accident such motor vehicle was covered by a
7 liability insurance policy or commercial automobile liability
8 insurance policy in accordance with Section 32-7A-4.

9 "(d) The department may send to owners of ~~randomly~~
10 selected motor vehicles or to ~~randomly~~ selected motor vehicle
11 owners, requests for information about their motor vehicles
12 and liability insurance coverage. The request shall require
13 the owner to ~~state~~ provide:

14 "(1) Whether or not the motor vehicle was insured on
15 the verification date stated in the department's request, and
16 the reason no insurance existed for the vehicle if not
17 insured.

18 "(2) The name, address, NAIC number, and telephone
19 number of the insurance company that insures the motor
20 vehicle.

21 "(3) The effective date of the policy and the
22 expiration date of the policy.

23 "(4) The owner's signature.

24 "(5) The policy number.

25 "(e) Within 30 calendar days after the department
26 mails a request, the owner to whom it is sent shall furnish
27 the requested information to the department ~~with the owner's~~

1 ~~signed and dated affirmation that such information is true and~~
2 ~~correct. Proof~~ in a manner as prescribed by the department.
3 Evidence of insurance in effect on the verification date, as
4 prescribed by the department, may be considered by the
5 department to be a satisfactory response to the request for
6 information.

7 "(f) Any owner whose response indicates that his or
8 her vehicle ~~was not covered by a~~ did not have liability
9 insurance ~~policy~~ coverage on the insurance verification date
10 in accordance with Section 32-7A-4 shall be deemed to have
11 registered or maintained registration of a motor vehicle in
12 violation of that section. Any owner who fails to respond to
13 such a request shall be deemed to have registered or
14 maintained registration of a motor vehicle in violation of
15 Section 32-7A-4.

16 "(g) If the owner responds to the request for
17 information by asserting that his or her vehicle ~~was covered~~
18 ~~by a~~ did have liability insurance ~~policy~~ coverage in
19 accordance with Section 32-7A-4 on the verification date
20 stated in the department's request, the department may conduct
21 a verification of the response by furnishing necessary
22 information to the insurer named in the response. The insurer
23 shall within 30 calendar days inform the department if on the
24 verification date stated the motor vehicle was not insured by
25 the insurer in accordance with Section 32-7A-4 or the
26 department may verify the response by using the online
27 insurance verification system.

1 "(h) No ~~random sample~~ review of registration
2 selected under this section shall be categorized on the basis
3 of race, color, religion, sex, national origin, ancestry, age,
4 marital status, physical or mental disability, economic
5 status, or geography.

6 "§32-7A-8.

7 "If the department determines that an owner has
8 registered or maintained the registration of a motor vehicle
9 without a liability insurance policy or a commercial
10 automobile liability insurance policy in accordance with
11 Section 32-7A-4, the department shall notify the owner that
12 such owner's vehicle registration shall be suspended ~~45~~ 30
13 calendar days after the date of the mailing of the notice
14 unless the owner ~~within 30 calendar days~~ furnishes proof
15 evidence of insurance in effect on the verification date, as
16 prescribed by the department. The notice shall be in writing
17 and shall be mailed by ~~first class~~ the U.S. Postal Service ~~or~~
18 ~~by certified mail, return receipt requested,~~ to the ~~owner's~~
19 registrant's last known address as reflected on the
20 department's motor vehicle registration records."

21 Section 3. Sections 32-7A-9, 32-7A-10, 32-7A-11,
22 32-7A-12, 32-7A-13, 32-7A-14, 32-7A-15, 32-7A-16, 32-7A-17,
23 32-7A-18, 32-7A-19, 32-7A-20, 32-7A-21, and 32-7A-22, Code of
24 Alabama 1975, are repealed and reenacted to read as follows:

25 §32-7A-9.

1 An insurer shall allow access through an online
2 insurance verification system to verify insurance status in
3 accordance with Section 32-7A-7.

4 §32-7A-10.

5 (a) If any insurance company shall fail to
6 consistently allow access through an online insurance
7 verification system to verify coverage of motor vehicle
8 liability insurance coverage, the department shall notify the
9 Insurance Commissioner of any and all violations by an insurer
10 of Sections 32-7A-9 and 32-7B-5.

11 (b) The department shall prescribe the form and
12 manner of transmission for the purposes of notifying the
13 Insurance Commissioner under subsection (a).

14 (c) The Insurance Commissioner may impose a fine of
15 up to five thousand dollars (\$5,000) per violation following a
16 hearing, if, after receiving a notice of a potential violation
17 of any material provision of Section 32-7A-9 or 32-7B-5 from
18 the Insurance Commissioner, it is found that an insurer
19 willfully violated a section listed in the notice.

20 §32-7A-11.

21 (a) When the department is unable to verify that
22 liability insurance coverage exists for a motor vehicle
23 registered or required to be registered in this state, the
24 department shall send the registrant notice via USPS mail at
25 the last known address as reflected on the department's motor
26 vehicle registration records. The notice shall require that
27 the registrant, within 30 calendar days of the date of the

1 notice, provide evidence of continuous liability insurance
2 coverage for the vehicle for the period specified by the
3 department. The registration will be suspended unless either:

4 (1) The registrant responds within the required time
5 frame and the response establishes that the registrant has not
6 had a lapse in liability insurance coverage. The department
7 shall then indicate in its records that the insured is in
8 compliance with this chapter.

9 (2) The registrant responds within the required time
10 frame that, after the registration date, he or she did not
11 operate the vehicle during the lapse in coverage due to the
12 motor vehicle being stored, inoperable, or otherwise unused as
13 prescribed by the department. The current registration shall
14 then be revoked and the department shall update its records to
15 reflect that the registration is revoked for the remainder of
16 the registration period. In the event the motor vehicle for
17 which the registration has been revoked is no longer stored,
18 inoperable, or otherwise unused as prescribed by the
19 department, a new registration and license plate must be
20 obtained prior to operating the vehicle.

21 (b) If the registrant subsequently provides, in a
22 manner as prescribed by the department, proof of subsequent
23 liability insurance coverage for the vehicle during the
24 current registration period then the registration shall be
25 reinstated.

1 (c) Any operator of a motor vehicle for which the
2 registration has been revoked shall be subject to citation by
3 law enforcement in accordance with Section 32-7A-16.

4 §32-7A-12.

5 (a) The department shall suspend the vehicle
6 registration of any motor vehicle determined to be in
7 violation of Section 32-7A-4, including any motor vehicle
8 operated in violation of Section 32-7A-16 by an operator other
9 than the owner of the vehicle. Neither the fact that,
10 subsequent to the date of verification or violation, the owner
11 acquired the required liability insurance policy nor the fact
12 that the owner terminated ownership of the motor vehicle shall
13 have any bearing upon the required suspension.

14 (b) The registration of any motor vehicle registered
15 in this state shall be suspended upon the department receiving
16 notice of the conviction of the operator of the motor vehicle
17 in another state of an offense which, if committed in this
18 state, would constitute a violation of Section 32-7A-4. Until
19 it is terminated, any suspension under this chapter shall
20 remain in force even if the registration is renewed or a new
21 registration is acquired for the motor vehicle contrary to
22 Section 32-7A-17.

23 (c) In the case of a first violation, the department
24 shall terminate the suspension upon payment by the owner of a
25 reinstatement fee of two hundred dollars (\$200) in a manner as
26 prescribed by the department and submission of proof of
27 current insurance as prescribed by the department to either

1 the department, the vehicle owner's county license plate
2 issuing official, the circuit clerk of any county, or the
3 Administrative Office of Courts. Upon a first violation, the
4 owner's name and identifying information shall be provided to
5 the director by the department, for the purpose of requiring
6 the owner to purchase and maintain insurance pursuant to
7 Section 32-7-13 or Section 32-7-31, or both, for a period of
8 one year.

9 (d) In the case of a second or subsequent violation
10 by a person having ownership interest in a motor vehicle or
11 vehicles within the preceding four years, or a violation of
12 Section 32-7A-16(b) (2), the department shall terminate the
13 suspension four months after its effective date upon payment
14 by the owner of a reinstatement fee of four hundred dollars
15 (\$400) in a manner as prescribed by the department and
16 submission of proof of current insurance as prescribed by the
17 department to either the department or to the vehicle owner's
18 county license plate issuing official, the circuit clerk of
19 any county, or the Administrative Office of Courts. In the
20 case of a second or subsequent violation, the owner's name and
21 identifying information shall be provided to the director by
22 the department, for the purpose of the director requiring the
23 owner to purchase and maintain insurance pursuant to Section
24 32-7-13 or Section 32-7-31, or both, for a period of three
25 years. Upon conviction of a second offense the violator shall
26 be guilty of a Class B misdemeanor.

1 (e) In accepting the reinstatement fee and proof of
2 current insurance, the owner's county license plate issuing
3 official, the circuit clerk of any county, or the
4 Administrative Office of Courts shall be responsible for
5 notifying and forwarding, not later than the next business
6 day, any required documentation concerning the reinstatement
7 of motor vehicle registration or registrations to the
8 department in the manner prescribed by the department.

9 (f) Except as provided in subsections (g) and (i),
10 all fees collected under this section shall be retained by the
11 department exclusively for use in the administration of this
12 chapter; provided, if the fees are collected by the owner's
13 county license plate issuing official, the official shall
14 remit the fee to the department, except for 10 percent of the
15 fee, which shall be retained by the official and distributed
16 50 percent to the county license plate issuing official and 50
17 percent to the county general fund. The retained fees
18 distributed to the county license plate issuing official shall
19 be deposited into a special fund designated as the "Special
20 Licensing Officials' Fund." The special fund shall be used for
21 the improvement of the equipment and operations in the office
22 of the licensing official charged with motor vehicle
23 registration and titling responsibilities and shall be in
24 addition to the amount budgeted for the office of the
25 official. Fees deposited into the special fund shall be
26 disbursed at the sole discretion of the license plate issuing
27 official and shall be audited by the Examiners of Public

1 Accounts. Such moneys in the special fund shall not accumulate
2 in excess of ten thousand dollars (\$10,000) during any fiscal
3 year. Any excess moneys shall accrue to the county general
4 fund. License plate issuing officials shall remit the balance
5 of the funds to the department in the manner prescribed by the
6 department by the 10th day of the month following the month of
7 collection.

8 (g) If the reinstatement fees are collected by the
9 Administrative Office of Courts, it shall remit the fee to the
10 department, except for 15 percent of the fee, which shall be
11 retained in its entirety by the Administrative Office of
12 Courts. If the reinstatement fees are collected by the circuit
13 clerk, it shall remit the fee to the department, except for 15
14 percent of the fee, which shall be retained by the circuit
15 clerk and distributed evenly between the circuit clerk's
16 office and the Administrative Office of Courts. Any portion of
17 the reinstatement fee due to the Administrative Office of
18 Courts shall be deposited into the Advanced Technology and
19 Data Exchange Fund established pursuant to Section 12-19-290.
20 Any portion of the reinstatement fee due to the circuit clerk
21 shall be deposited into the Clerk's Fund established pursuant
22 to Section 12-17-225.4(2).

23 (h) Refunds of reinstatement fees, less the retained
24 fees, shall be granted in cases of duplicate payment, or as
25 approved by the department. Anyone who is denied a refund of
26 the reinstatement fee may appeal the denial to the
27 administrative law judge pursuant to Section 40-2A-7.

1 (i) Notwithstanding the provisions of subsection
2 (f), 15 percent of the net proceeds received by the department
3 shall be deposited by the department into the Alabama Peace
4 Officers' Annuity and Benefit Fund, as authorized by Section
5 36-21-66.

6 (j) It shall be unlawful for the vehicle owner's
7 county license plate issuing official to fail to collect such
8 reinstatement fees, when due. Additionally, the reinstatement
9 fee shall not be waived by the court when the vehicle owner
10 cannot produce evidence that a valid liability insurance
11 policy was in effect on the date a citation was issued for
12 violation of the provisions of this chapter.

13 (k) The terms "circuit clerk" and "circuit clerk's
14 office" as used in any part of this act shall also include any
15 district clerk or district clerk's office that functions
16 separately from the office of the circuit clerk pursuant to
17 Section 12-17-161, Code of Alabama 1975.

18 §32-7A-13.

19 All officials authorized by law to register motor
20 vehicles, issue motor vehicle license plates, and to perform
21 other duties in connection with the issuance of motor vehicle
22 license plates shall refuse to register or re-register a motor
23 vehicle or refuse to transfer the license plates if the
24 registration is suspended pursuant to Section 32-7A-12.

25 §32-7A-14.

26 A person who, whether present or absent, aids,
27 abets, induces, procures, or causes the commission of an act

1 which, if done directly by him or her, would be a felony or a
2 misdemeanor under a provision of this chapter, is guilty of
3 the same felony or misdemeanor.

4 §32-7A-15.

5 A person is guilty of a Class C felony who, with
6 fraudulent intent:

7 (1) Alters, forges, or counterfeits an insurance
8 card to make it appear valid.

9 (2) Makes, sells, or otherwise makes available an
10 invalid or counterfeit insurance card, or other evidence of
11 insurance.

12 §32-7A-16.

13 (a) A person is guilty of a Class C misdemeanor who:

14 (1) Operates a motor vehicle without a liability
15 insurance policy, a commercial automobile liability insurance
16 policy, a motor vehicle liability insurance bond, or deposit
17 of cash in accordance with this chapter.

18 (2) With notice of cancellation, rescission,
19 abrogation, or termination of insurance, registers, or
20 attempts to register a motor vehicle.

21 (b) A person shall be guilty of a traffic violation
22 who:

23 (1) Operates a motor vehicle and upon demand of a
24 law enforcement officer, fails or refuses to present
25 satisfactory evidence of insurance unless a law enforcement
26 officer verifies motor vehicle liability insurance coverage
27 through the online insurance verification system.

1 (2) Operates a vehicle the registration of which is
2 suspended or revoked pursuant to the provisions of this
3 chapter.

4 (3) Operates a motor vehicle and presents evidence
5 of insurance when there is no valid insurance in effect on the
6 motor vehicle as required by this chapter.

7 (c) A motor vehicle may be impounded at the
8 discretion of a law enforcement officer if the operator fails
9 to provide evidence of registration and insurance as required
10 by Title 32 or Title 40. Evidence of registration and
11 insurance may be verified through the online insurance
12 verification system and other electronic means as necessary.

13 (d) For the purposes of this chapter, the reference
14 herein to operating a motor vehicle shall be satisfied
15 whenever it is apparent that the vehicle has traveled any
16 distance upon a public road or highway and a law enforcement
17 officer may have only observed the results of finding the
18 vehicle stopped either on or off the public road or highway,
19 as for example when the vehicle has come to a stop after an
20 accident. Witnessing the operation of the vehicle is not
21 required for a citation to be issued under this chapter.

22 §32-7A-17.

23 (a) License plate issuing officials shall not
24 register or re-register a motor vehicle or transfer the
25 license plates if the registration is suspended pursuant to
26 Section 32-7A-12.

1 (b) Notwithstanding the provisions of subsection
2 (a), upon the request of the registrant, the license plate
3 issuing official shall reinstate a registrant's suspended
4 registration at such time the registrant meets the provisions
5 of reinstatement provided for by this chapter.

6 (c) No vehicle registration or renewal thereof shall
7 be issued to any motor vehicle unless the license plate
8 issuing official receives satisfactory evidence of insurance
9 or verification of motor vehicle liability insurance through
10 the online insurance verification system, liability insurance
11 bond, or deposit of cash that provides the minimum motor
12 vehicle insurance coverage required by Section 32-7-6 or is
13 exempted under Section 32-7A-5. Verification by the license
14 plate issuing official shall be made in a manner as prescribed
15 by the department.

16 (d) All officials authorized by law to issue motor
17 vehicle license plates shall obtain, when issuing or
18 transferring motor vehicle registrations, the registrant's
19 valid state issued driver's license or identification card
20 number, a department approved federal identifying number,
21 national driver's license, or for a company or other entity,
22 the federal employer identification number, for inclusion
23 within the motor vehicle registration records in the state and
24 county databases provided these numbers shall not be included
25 on the motor vehicle registration receipts. The department has
26 the additional authority to assign an identifying number to
27 vehicle registrants in order to document compliance with this

1 chapter. This information shall be used by the department in
2 the administration of the provisions of this chapter.

3 §32-7A-18.

4 No verification procedure established under this
5 chapter shall include individual inspections of vehicles on
6 the public streets or highways solely for the purpose of
7 verifying the existence of a valid liability insurance policy
8 or a commercial automobile liability insurance policy. No law
9 enforcement officer shall stop a vehicle solely for the
10 purpose of verifying the existence of a valid insurance
11 policy.

12 §32-7A-19.

13 No state or local governmental unit and no
14 government official or employee acting in the course of his or
15 her official duties in the administration or enforcement of
16 Section 32-7A-4 and related provisions of this chapter shall
17 be liable for any damages brought directly or indirectly by
18 the injured party or a third party, except for damages
19 resulting from willful and wanton misconduct or gross
20 negligence on the part of the governmental unit, official, or
21 employee.

22 §32-7A-20.

23 Whenever a court convicts a person of a violation of
24 Section 32-7A-15 or Section 32-7A-16, the clerk of the court,
25 within 10 calendar days, shall forward a report of the
26 conviction to the department in a form prescribed by the
27 department.

1 §32-7A-21.

2 The following penalties are applicable to violations
3 of this chapter:

4 (1) FELONIES. A person convicted of a felony for the
5 violation of a provision of this chapter is guilty of a Class
6 C felony and is subject to punishment as defined by the
7 Criminal Code of Alabama.

8 (2) MISDEMEANORS. A person convicted of a
9 misdemeanor for the violation of a provision of this chapter
10 is guilty of a Class C misdemeanor and is subject to
11 punishment as defined by the Criminal Code of Alabama.

12 (3) TRAFFIC VIOLATION. A person convicted of a
13 traffic offense for violation of this chapter is subject to a
14 punishment by a fine not to exceed two hundred dollars (\$200)
15 for the first conviction. Upon each subsequent conviction, the
16 fine shall be twice the amount of the last fine.

17 §32-7A-22.

18 No person shall present evidence of insurance to a
19 law enforcement officer, court, officer of the court, the
20 Department of Revenue, or office of the licensing official
21 charged with motor vehicle registration and titling
22 responsibilities, knowing there is no valid liability
23 insurance in effect on the motor vehicle as required under
24 Section 32-7A-4 or knowing the evidence of insurance is
25 altered, counterfeit, or otherwise invalid as evidence of
26 insurance required under Section 32-7A-4. If the law
27 enforcement officer issues a citation to a motor vehicle

1 operator for presenting invalid evidence of insurance, the
2 officer shall confiscate the evidence for presentation in
3 court.

4 Section 4. Sections 32-7A-23, 32-7A-24, and 32-7A-25
5 are added to the Code of Alabama 1975, to read as follows:

6 §32-7A-23.

7 No person charged with violating the requirements of
8 this chapter to maintain or present, or both, evidence of
9 insurance shall be convicted of a Class C misdemeanor in
10 accordance with subsection (a) of Section 32-7A-16 if such
11 person produces in court satisfactory evidence that, at the
12 time of the citation, the motor vehicle was covered by a
13 liability insurance policy, commercial automobile liability
14 insurance policy, liability insurance bond, or deposit of cash
15 in accordance with Section 32-7A-4. However, such person may
16 be convicted of a traffic violation as set forth in subsection
17 (b) of Section 32-7A-16.

18 §32-7A-24.

19 Information regarding the motor vehicle registration
20 suspension or reinstatement status of any person is
21 confidential and shall be released only to the person who is
22 the subject of a suspension or possible suspension, or to law
23 enforcement agencies, courts, and other governmental entities,
24 including officials responsible for the issuance of license
25 plates, as necessary in the administration of the provisions
26 of this chapter.

27 §32-7A-25.

1 This chapter is supplemental to other laws relative
2 to motor vehicles and a liability insurance policy, commercial
3 automobile liability insurance policy, liability insurance
4 bond, or deposit of cash, and insofar as possible shall be
5 construed in pari materia with such laws.

6 Section 5. Chapter 7B of Title 32 consisting of
7 Sections 32-7B-1, 32-7B-2, and 32-7B-3 are added to the Code
8 of Alabama 1975, to read as follows:

9 §32-7B-1.

10 This chapter may be cited as the Alabama Online
11 Insurance Verification System Act.

12 §32-7B-2. Definitions.

13 For the purposes of this article, the following
14 terms shall have the following meanings respectively ascribed
15 to them in this section, except in those instances where the
16 context clearly indicates a different meaning:

17 (1) ADVISORY COUNCIL. A group of 13 voting members
18 consisting of: Two representatives of the Department of
19 Revenue, a representative of the Department of Public Safety,
20 and a representative of the Department of Insurance as well as
21 three insurance company representatives appointed by the
22 Commissioner of Insurance, a representative of the American
23 Insurance Association, a representative of the National
24 Association of Mutual Insurance Companies, a representative of
25 the Property and Casualty Insurers Association of America, a
26 representative of the Alabama Independent Agents Association
27 appointed by the Commissioner of Insurance, a representative

1 of the Alabama Probate Judges Association appointed by the
2 president of the association, and a representative of the
3 Alabama Association of Tax Administrators appointed by the
4 president of the association. This group shall be chaired by
5 the Commissioner of Revenue or his or her designee.

6 (2) COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
7 POLICY. An insurance policy as defined in Section 32-7A-2.

8 (3) DEPARTMENT. The Department of Revenue.

9 (4) INSURER. An insurance company licensed or
10 authorized to do business in this state and insuring motor
11 vehicles.

12 (5) MOTOR VEHICLE. A motor vehicle as defined in
13 Section 32-7A-2.

14 (6) ONLINE INSURANCE VERIFICATION SYSTEM. An online
15 insurance verification system using web services as
16 recommended by the Insurance Industry Committee for Motor
17 Vehicle Administration (IICMVA), developed by the advisory
18 council, and adopted by the department.

19 §32-7B-3. Establishment of the Online Insurance
20 Verification System.

21 (a) The department shall convene an advisory council
22 for the purpose of the following:

23 (1) Facilitating the implementation of the online
24 insurance verification system.

25 (2) Assisting in the development of a detailed guide
26 for insurers providing for the data fields and other

1 information necessary for compliance along with other
2 necessary regulations.

3 (3) Coordinating and conducting a testing phase as
4 prescribed by the advisory council.

5 (4) Identifying necessary changes during the testing
6 phase, as prescribed by the advisory council.

7 (5) Issuing recommendations based on periodic
8 reviews of the online insurance verification system by the
9 advisory council. The advisory council shall issue a report to
10 the Departments of Revenue, Public Safety, and Insurance 12
11 months after the online insurance verification system is
12 implemented to evaluate the system's effectiveness in
13 identifying uninsured motorists, and annually thereafter on or
14 before January 1 of each year. The advisory council may also
15 issue recommendations for system enhancements in such report.

16 (b) The department shall:

17 (1) Cooperate with insurers in implementing the
18 online insurance verification system.

19 (2) Conduct a pilot project to test the online
20 insurance verification system prior to statewide use.

21 (3) Establish the online insurance verification
22 system framework necessary to inquire of insurers by using
23 multiple keys for greater matching accuracy, including, but
24 not limited to: Insurer NAIC number, vehicle identification
25 numbers, policy number and other key or keys specified by the
26 advisory council.

1 (4) Be responsible for keeping the advisory council
2 informed on implementation status.

3 (c) Each insurer shall cooperate with the department
4 in establishing the online insurance verification system.

5 Section 6. Chapter 7B of Title 32 consisting of
6 Sections 32-7B-4, 32-7B-5, and 32-7B-6 are added to the Code
7 of Alabama 1975, to read as follows:

8 §32-7B-4. Functions of the Online Insurance
9 Verification System.

10 The online insurance verification system shall:

11 (1) Be accessible by authorized personnel of the
12 department for direct inquiry. Access by the courts, insurers,
13 law enforcement, and offices of the licensing officials
14 charged with motor vehicle registration and titling
15 responsibilities shall be through authorized personnel of the
16 department. Insurer access shall be limited to data or
17 information transmission as required to operate the online
18 insurance verification system.

19 (2) Be able to verify, on a 24-hour, seven days per
20 week basis, minus permitted down time for system maintenance
21 as prescribed by the advisory council, the insurance status of
22 a motor vehicle via the Internet, or similar electronic system
23 consistent with insurance industry and IICMVA recommendations
24 and the specifications and standards of the IICMVA model dated
25 May 8, 2008, or later models as recommended by the advisory
26 council and adopted by the department.

1 (3) Be able to access insurers by using multiple
2 keys for greater matching accuracy, including, but not limited
3 to: Insurer NAIC number, vehicle identification numbers,
4 policy number and other key or keys specified by the advisory
5 council.

6 (4) Provide data security for the type of
7 information transferred as prescribed by the advisory council.

8 (5) Utilize open and agreed to data and data
9 transmission standards and standard schema as specified by the
10 advisory council.

11 §32-7B-5. Responsibilities of Insurers.

12 Each insurer shall do the following:

13 (1) Cooperate with the department in operating the
14 online insurance verification system.

15 (2) Maintain the data necessary to verify insurance
16 status through the online insurance verification system for a
17 period of at least six months.

18 (3) Maintain the web service, pursuant to the
19 requirements established under the online insurance
20 verification system and as specified by the advisory council.

21 (4) Provide data security for the type of
22 information transferred as prescribed by the advisory council.

23 (5) Be immune from civil and administrative
24 liability for good faith efforts to comply with the terms of
25 this act.

26 (6) Provide an insured under a commercial automobile
27 insurance liability policy with an insurance card clearly

1 indicating that the vehicle is insured under a commercial
2 automobile liability insurance policy in accordance with
3 Section 32-7A-6.

4 (7) Nothing in this section prohibits an insurer
5 from using the services of a third party vendor for
6 facilitating the online insurance verification system required
7 by this act.

8 §32-7B-6. Responsibilities of the Department.

9 The department shall do the following:

10 (1) Cooperate with insurers in operating the online
11 insurance verification system.

12 (2) Maintain the list of authorized requesting
13 entities and individuals and make that a part of the online
14 insurance verification system.

15 (3) Maintain the online insurance verification
16 system framework necessary to inquire of insurers using the
17 key or keys in accordance with subsection (3) of Section
18 32-7B-4.

19 (4) Provide data security for the type of
20 information transferred as prescribed by the advisory council.
21 Data secured via the online insurance verification system may
22 not be shared with any party other than those permitted by
23 state or federal privacy laws.

24 (5) Be responsible for keeping the advisory council
25 informed on functionality, and planned or unplanned service
26 interruptions.

1 (6) Provide alternative methods of reporting for
2 small insurers writing no more than 500 vehicles in the state
3 as prescribed by the department.

4 (7) Work with the advisory council on issues as they
5 emerge for an equitable resolution for all parties.

6 (8) Maintain historical records of online insurance
7 verification system data for a period as specified by the
8 department.

9 (9) Provide a means to separately track or
10 distinguish motor vehicles where the owner is a qualified
11 self-insured and financial responsibility is provided via a
12 certificate of insurance, a motor vehicle liability bond, a
13 deposit of cash, or other such method as allowed by law.

14 (10) Nothing in this section prohibits the
15 department from using the services of a third party vendor for
16 facilitating the insurance verification program required by
17 this law.

18 Section 7. Enforcement and investigative activities
19 as they relate to the provisions of this act shall not be
20 based on an individual's race, color, religion, sex, national
21 origin, ancestry, age, marital status, physical or mental
22 disability, economic status, or geography.

23 Section 8. All laws or parts of laws which conflict
24 with this act are repealed.

25 Section 9. Sections 2, 5, and 7 of this act shall
26 become effective immediately following its passage and
27 approval by the Governor, or its otherwise becoming law.

1 Sections 1, 3, 4, and 6 of this act shall become effective
2 January 1, 2014, following its passage and approval by the
3 Governor, or its otherwise becoming law.