

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

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3
4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 To amend Sections 32-7-19, 32-7-20, 32-7-22,
12 32-7-24, 32-7A-2, 32-7A-3, 32-7A-4, 32-7A-5, 32-7A-6, 32-7A-7,
13 and 32-7A-8, Code of Alabama 1975, relating to the
14 verification of a motor vehicle liability policy as evidence
15 of financial responsibility through the online insurance
16 verification system on motor vehicles insured under personal
17 insurance coverage and to establish an online insurance
18 verification system on motor vehicles insured under personal
19 insurance coverage; to repeal Sections 32-7A-9 to 32-7A-22,
20 Code of Alabama 1975; to add Sections 32-7A-9 to 32-7A-25 to
21 the Code of Alabama 1975; relating to mandatory motor vehicle
22 liability insurance or other methods of financial
23 responsibility allowed by law, to require the verification of
24 motor vehicle liability insurance or other methods of
25 financial responsibility allowed by law prior to motor vehicle
26 registration and re-registration, and to allow the Department
27 of Revenue and law enforcement to electronically verify motor

1 vehicle liability insurance or other methods of financial
2 responsibility allowed by law with an online insurance
3 verification system; and to add Sections 32-7B-1, 32-7B-2,
4 32-7B-3, 32-7B-4, 32-7B-5, and 32-7B-6 to the Code of Alabama
5 1975, relating to the establishment of an online insurance
6 verification system on motor vehicles insured under personal
7 insurance coverage.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. Sections 32-7-19, 32-7-20, 32-7-22, and
10 32-7-24, Code of Alabama 1975, are amended to read as follows:

11 "§32-7-19.

12 "(a) Proof of financial responsibility when required
13 under this chapter with respect to a motor vehicle or with
14 respect to a person who is not the owner of a motor vehicle
15 may be given by filing:

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

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

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

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

1 "(b) Proof of financial responsibility relating to a
2 motor vehicle liability policy when required under this
3 chapter with respect to a motor vehicle or with respect to a
4 person who is not the owner of a motor vehicle may be verified
5 through the online insurance verification system of Chapter 7B
6 of Title 32 and Chapter 7A of Title 32.

7 "~~(b)~~ (c) No motor vehicle shall be or continue to be
8 registered in the name of any person required to file proof of
9 financial responsibility unless such proof shall be furnished
10 for such motor vehicle.

11 "§32-7-20.

12 "(a) Proof of financial responsibility may be
13 furnished by filing with the director the written certificate
14 of any insurance carrier duly authorized to do business in
15 this state certifying that there is in effect a motor vehicle
16 liability policy for the benefit of the person required to
17 furnish proof of financial responsibility. Such certificate
18 shall give the effective date of such motor vehicle liability
19 policy, which date shall be the same as the effective date of
20 the certificate, and shall designate by explicit description
21 or by appropriate reference all motor vehicles covered
22 thereby, unless the policy is issued to a person who is not
23 the owner of a motor vehicle.

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

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

5 "§32-7-22.

6 "(a) A motor vehicle liability policy, as the term
7 is used in this chapter, means an owner's or an operator's
8 policy of liability insurance, certified as provided in
9 Section 32-7-20 or Section 32-7-21 as proof of financial
10 responsibility, and issued, except as otherwise provided in
11 Section 32-7-21, by an insurance carrier duly authorized to
12 transact business in this state, to or for the benefit of the
13 person named in the policy as insured.

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

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

17 "(2) Shall insure the person named in the policy and
18 any other person, as insured, using any motor vehicle or motor
19 vehicles designated in the policy with the express or implied
20 permission of the named insured, against loss from the
21 liability imposed by law for damages arising out of the
22 ownership, maintenance, or use of such motor vehicle or motor
23 vehicles within the United States of America or the Dominion
24 of Canada, subject to limits exclusive of interest and costs,
25 with respect to each such motor vehicle, ~~as follows:~~
26 ~~Twenty-five thousand dollars (\$25,000) because of bodily~~
27 ~~injury to or death of one person in any one accident and,~~

1 ~~subject to the limit for one person, fifty thousand dollars~~
2 ~~(\$50,000) because of bodily injury to or death of two or more~~
3 ~~persons in any one accident; and twenty-five thousand dollars~~
4 ~~(\$25,000) because of injury to or destruction of property of~~
5 ~~others in any one accident~~ in the amount of not less than the
6 minimum amounts set for bodily injury or death and for
7 destruction of property under subsection (c) of Section
8 32-7-6.

9 "(c) The operator's policy of liability insurance
10 shall insure the person named as insured in the policy against
11 loss from the liability imposed upon him or her by law for
12 damages arising out of the use by him or her of any motor
13 vehicle not owned by him or her, within the same territorial
14 limits and subject to the same limits of liability as are set
15 forth above with respect to an owner's policy of liability
16 insurance.

17 "(d) The motor vehicle liability policy shall state
18 the name and address of the named insured, the coverage
19 afforded by the policy, the premium charged for the policy,
20 the policy period, and the limits of liability and shall
21 contain an agreement or be endorsed that insurance is provided
22 under the policy in accordance with the coverage defined in
23 this chapter for bodily injury and death or property damage,
24 or both, and is subject to all the provisions of this chapter.

25 "(e) The motor vehicle liability policy need not
26 insure any liability under any workers' compensation law nor
27 any liability on account of bodily injury to or death of an

1 employee of the insured while engaged in the employment, other
2 than domestic, of the insured, or while engaged in the
3 operation, maintenance, or repair of any motor vehicle nor any
4 liability for damage to property owned by, rented to, in
5 charge of or transported by the insured.

6 "(f) Every motor vehicle liability policy shall be
7 subject to the following provisions which need not be
8 contained in the policy:

9 "(1) The liability of the insurance carrier with
10 respect to the insurance required by this chapter shall become
11 absolute whenever injury or damage covered by the motor
12 vehicle liability policy occurs. The policy may not be
13 cancelled or annulled as to that liability by any agreement
14 between the insurance carrier and the insured after the
15 occurrence of the injury or damage. Any statement made by the
16 insured or on his or her behalf and any violation of the
17 policy shall not defeat or void the policy.

18 "(2) The satisfaction by the insured of a judgment
19 for injury or damage shall not be a condition precedent to the
20 right or duty of the insurance carrier to make payment on
21 account of injury or damage.

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

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

5 "(g) Any policy which grants the coverage required
6 for a motor vehicle liability policy may also grant any lawful
7 coverage in excess of or in addition to the coverage specified
8 for a motor vehicle liability policy, and the excess or
9 additional coverage shall not be subject to this chapter. With
10 respect to a policy which grants any excess or additional
11 coverage, the term "motor vehicle liability policy" shall
12 apply only to that part of the coverage which is required by
13 this section.

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

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

21 "(j) The requirements for a motor vehicle liability
22 policy may be fulfilled by the policies of one or more
23 insurance carriers which policies together meet the
24 requirements for a policy.

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

1 "§32-7-24.

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

12 "(b) When the director has verified evidence of a
13 motor vehicle liability policy using the online insurance
14 verification system under subsection (b) of Section 32-7-20,
15 the director shall continue to verify evidence of a motor
16 vehicle liability policy using the online insurance
17 verification system under subsection (b) of Section 32-7-20
18 for the applicable period.

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

21 "§32-7A-2.

22 "For the purposes of this chapter, the following
23 terms shall have the following meanings respectively ascribed
24 to them in this section, except in those instances where the
25 context clearly indicates a different meaning:

26 "(1) CERTIFICATE OF INSURANCE. A document issued by
27 an insurer or its authorized representative showing that a

1 specific vehicle is insured ~~for liability~~ for no less than the
2 minimum limits of liability coverage for bodily injury or
3 death and for destruction of property under subsection (c) of
4 Section 32-7-6.

5 "(2) COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
6 POLICY. An insurance policy that:

7 "a. Is written on either a commercial coverage or
8 other commercially rated personal policy form, including, but
9 not limited to, a commercial auto, garage, or truckers form,
10 and is not dependent on the type, number, or ownership of
11 vehicle or entity covered or insured.

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

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

16 "~~(2)~~ (4) DEALER. Any person dealing in, buying,
17 selling, exchanging, advertising, or negotiating the sale of
18 motor vehicles and licensed under the provisions of Section
19 40-12-391.

20 "~~(3)~~ (5) DECLARATIONS PAGE. That part of an insurance
21 policy showing ~~all of the pertinent information,~~ the name of
22 the insured, insuring company, the vehicle make, the year
23 model, the vehicle identification number (VIN), the policy
24 number, the amount of coverage or coverages, and the effective
25 and expiration dates of the policy.

26 "~~(4)~~ (6) DEPARTMENT. The Department of Revenue.

1 "~~(5)~~(7) DEPOSIT OF CASH. Funds deposited with and
2 held by the State Treasurer as security for payment by the
3 depositor, or by any person responsible for the depositor's
4 motor vehicle with his or her express or implied consent, of
5 all judgments rendered against the depositor or other
6 authorized operator of the depositor's motor vehicle arising
7 from injury, death, or damage sustained through use,
8 operation, maintenance, or control of the motor vehicle within
9 the State of Alabama.

10 "~~(6)~~(8) DIRECTOR. The Director of Public Safety of
11 the State of Alabama, or his or her designee.

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

16 "~~(8)~~(9) INSURANCE BINDER. A document issued by an
17 insurer or its authorized representative showing that a
18 specific vehicle is insured for no less than the minimum
19 limits of liability coverage for bodily injury or death and
20 for destruction of property under subsection (c) of Section
21 32-7-6.

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

24 "~~(9)~~(11) LIABILITY INSURANCE POLICY. An owner's or
25 an operator's personal automobile liability insurance policy
26 ~~of liability insurance~~, issued by an insurance carrier duly
27 authorized to transact business in this state, ~~to or for the~~

1 ~~benefit of the person or vehicle identified in the policy as~~
2 ~~insured.~~

3 ~~"(10)~~ (12) MOTOR VEHICLE. Every self-propelled
4 ~~vehicle that is designed and manufactured to be operated on~~
5 ~~the streets and highways of Alabama, but not operated upon~~
6 ~~rails.~~

7 ~~"(11)~~ (13) MOTOR VEHICLE LIABILITY BOND. A bond of a
8 ~~surety company duly authorized to transact business in this~~
9 ~~state, which is conditioned for payments in amounts and under~~
10 ~~the same circumstances as would be required in a motor vehicle~~
11 ~~liability insurance policy.~~

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

15 ~~"(15)~~ NON-ADMITTED COMPANY. An insurance company not
16 licensed to conduct business in this state which sells
17 coverage that is unavailable from licensed insurers within
18 this state.

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

21 ~~"(17)~~ ONLINE INSURANCE VERIFICATION SYSTEM. An
22 online insurance verification system using web services as
23 defined in Section 32-7B-2(6).

24 ~~"(12)~~ (18) OPERATOR. Every person who is in actual
25 physical control of a motor vehicle.

26 ~~"(13)~~ (19) OWNER. Any of the following persons:

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

3 "b. The mortgagor, debtor, conditional vendee, or
4 lessee of a vehicle that is the subject of a chattel mortgage,
5 lien, agreement for the conditional sale thereof, lease or
6 other like agreement with the right of purchase upon
7 performance of the conditions stated in the agreement and with
8 the immediate right of possession vested in the mortgagor,
9 debtor, conditional vendee, or lessee, in which event the
10 mortgagor, debtor, conditional vendee, or lessee shall be
11 deemed the owner for purposes of this chapter.

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

14 "~~(14)~~ (20) PERSON. Every natural person, firm,
15 partnership, association, estate, trust, corporation, limited
16 liability partnership, limited liability company, or other
17 entity.

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

20 "~~(15)~~ (22) REGISTRATION. Certificate or certificates
21 and license plates issued under the laws of this state
22 pertaining to the registration of motor vehicles.

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

26 "~~(17)~~ (24) STATE. Any state, territory or possession
27 of the United States, the District of Columbia, any province

1 or territory of the Dominion of Canada, or a state of the
2 Republic of Mexico.

3 "~~(18)~~ (25) SUSPENSION. The ~~temporary~~ withdrawal by
4 formal action of the department of a vehicle's registration
5 ~~for a period~~ as specified by this chapter.

6 "The terms "liability insurance policy," "deposit of
7 cash," and a "motor vehicle liability bond" are used
8 interchangeably throughout this chapter.

9 "§32-7A-3.

10 "(a) The department shall administer and enforce the
11 provisions of this chapter and shall make such reasonable
12 rules and regulations concerning any matter administered in
13 this chapter and shall provide for hearings upon the request
14 of persons aggrieved by orders or acts of the department under
15 the provisions of this chapter.

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

19 "(c) The department may:

20 "(1) Make necessary investigations to procure
21 information required to carry out the provisions of this
22 chapter.

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

25 "(d) At any time within 30 calendar days after the
26 rendition of any suspension, or decision under the provisions
27 of this chapter, any person may appeal to the administrative

1 law judge pursuant to Section 40-2A-8. After exhausting his or
2 her appeal rights provided under Section 40-2A-8, and, upon
3 providing evidence of payment of the reinstatement fee
4 provided in this chapter, the person may appeal to the circuit
5 court. The appeals to the administrative law judge or circuit
6 court shall be as provided in Section 40-2A-9.

7 "§32-7A-4.

8 "(a) No person shall operate, register, or maintain
9 registration of, and no owner shall permit another person to
10 operate, register, or maintain registration of, a motor
11 vehicle designed to be used on a public highway unless the
12 motor vehicle is covered by a liability insurance policy, a
13 commercial automobile liability insurance policy, motor
14 vehicle liability bond, or deposit of cash.

15 "(b) (1) The liability insurance policy or commercial
16 automobile liability insurance policy shall be issued in
17 amounts no less than the minimum amounts set for bodily injury
18 or death and for destruction of property under Section
19 32-7-6(c).

20 "(2) The motor vehicle liability bond shall be in
21 the amount of not less than ~~fifty thousand dollars (\$50,000)~~
22 the minimum amounts of liability coverage for bodily injury or
23 death and for destruction of property under subsection (c) of
24 Section 32-7-6. The bond shall be conditioned on the payment
25 of the amount of any judgment rendered against the principal
26 in the bond or any person responsible for the operation of the
27 principal's motor vehicle with his or her express or implied

1 consent, arising from injury, death, or damage sustained
2 through the use, operation, maintenance, or control of the
3 motor vehicle within the State of Alabama.

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

9 "(c) Only an insurer authorized to do business in
10 this state shall issue a policy pursuant to this section for
11 any vehicle subject to registration under Chapter 12 of Title
12 40. Nothing herein shall deprive an insurer of any policy
13 defense available at common law.

14 "(d) Notwithstanding the provisions in subsection
15 (c), any insurance policies issued by non-admitted insurance
16 companies procured through Alabama licensed surplus lines
17 insurance brokers, pursuant to the provisions of Section
18 27-10-20 for the amounts prescribed under subsection (c) of
19 Section 32-7-6, shall be deemed to be in compliance with this
20 chapter provided the brokers are licensed with the Department
21 of Insurance and the brokers transfer all required insurance
22 information in the manner and frequency as prescribed by the
23 department.

24 "§32-7A-5.

25 "This chapter shall not apply to any of the
26 following vehicles or operators:

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

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

7 "(3) Any motor vehicle which is subject to the
8 supervision and regulation of the Federal Motor Carrier Safety
9 Administration or the Alabama Public Service Commission and
10 for which the owner and/or operator has filed ~~with the~~
11 ~~commission a bond or insurance policy,~~ evidence of financial
12 responsibility, the liability under which is not less than
13 that required of the operator of a motor vehicle under the
14 terms of this chapter.

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

18 "(5) Other motor vehicles complying with laws which
19 require the vehicles to be insured in amounts meeting or
20 exceeding the minimum amounts required under Section
21 32-7-6(c).

22 "(6) Implements of husbandry as defined in Section
23 32-8-2(5).

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

25 "(8) Special mobile equipment, as defined in Section
26 32-8-2(20).

1 "(9) Inoperable or stored motor vehicles that are
2 not operated, as defined by rules and regulations of the
3 department and not subject to the provisions of Section
4 32-7A-7.

5 "(10) Motor vehicles owned by a licensed motor
6 vehicle dealer, wholesaler, rebuilder, or reconditioner and
7 held ~~for sale~~ in inventory that are covered by a blanket
8 liability insurance policy or commercial automobile liability
9 insurance policy.

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

13 "(12) Vehicles owned by a bank, a subsidiary or
14 affiliate of a bank, or finance company, acquired as an
15 incident to their regular business, that are covered by a
16 blanket liability insurance policy or commercial automobile
17 liability insurance policy.

18 "(13) Vehicles as prescribed by the commissioner
19 that are covered by a blanket liability insurance policy or
20 commercial automobile liability insurance policy.

21 "§32-7A-6.

22 "(a) Every operator of a motor vehicle subject to
23 the provisions of Section 32-7A-4 shall carry within the
24 vehicle evidence of insurance. The evidence shall be legible
25 and sufficient to demonstrate that the motor vehicle currently
26 is covered by a liability insurance policy or a commercial
27 automobile liability insurance policy as required under

1 Section 32-7A-4 and may include, but is not limited to, the
2 following:

3 "(1) An insurance card, or temporary insurance card,
4 provided by the insurer or an authorized representative under
5 this section.

6 "(2) The combination of proof of purchase of the
7 motor vehicle within the previous ~~60~~ 20 calendar days and a
8 current and valid insurance card issued for the motor vehicle
9 replaced by such purchase.

10 "(3) The current declarations page of a liability
11 insurance policy.

12 "(4) A liability insurance binder, or legible copy
13 thereof, certificate of liability insurance, or legible copy
14 thereof, ~~or receipt for payment to an insurer or its~~
15 ~~authorized representative for a liability insurance premium,~~
16 ~~or legible copy thereof;~~ provided such document contains all
17 information required in this chapter.

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

22 "(b) The insurer issuing the liability insurance
23 policy or the commercial automobile liability insurance policy
24 shall provide an insurance card for each motor vehicle insured
25 that shall contain the following information:

26 "(1) The vehicle year model.

27 "(2) The vehicle make.

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

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

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

4 "(6) The policy number, not required on temporary
5 insurance card.

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

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

9 "(c) Notwithstanding the foregoing, if the insurance
10 card is issued for a ~~fleet policy~~ commercial automobile
11 liability insurance policy, the card may state "FLEET,"
12 "COMMERCIAL," "COMMERCIAL POLICY," or "COMMERCIAL EXEMPT" in
13 lieu of vehicle years, makes, and VIN's; ~~and further provided~~
14 ~~that~~ if vehicle years, makes, and VIN's are not captured by
15 the insurer. If the vehicle years, makes, and VIN's are
16 captured by the insurer, then the insurer may provide such
17 information on the insurance card, but must state "FLEET,"
18 "COMMERCIAL," "COMMERCIAL POLICY," or "COMMERCIAL EXEMPT" on
19 the insurance card. If the insurance card is issued for a
20 nonowner policy, the card may state "NONOWNER POLICY" in lieu
21 of the vehicle year, make, and VIN.

22 "(d) The minimum size of the insurance card shall be
23 "3" by 2 1/8", ~~with a minimum 20 pound paper stock required or~~
24 ~~the equivalent.~~ All required information shall be ~~displayed~~
25 printed on the front of the card. The insurance card may
26 include other information at the discretion of the insurer.
27 Insurance companies may allow authorized representatives to

1 issue temporary insurance cards to satisfy the requirements of
2 this chapter. Temporary insurance cards are not required to
3 have the policy number but shall contain all other required
4 information.

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

10 "(f) Insurance binders, certificates of liability
11 insurance, and ~~premium receipts, in order to qualify as proof~~
12 other evidence of insurance as required under this section,
13 must meet the following requirements (except where noted):

14 "(1) Insurance company name.

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

17 "(3) Effective date.

18 "(4) Expiration date.

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

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

23 "(7) Vehicle make - not required if issued for a
24 ~~fleet~~ commercial automobile liability insurance policy or for
25 a nonowner policy.

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

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

6 "~~(10)~~(9) Signature of authorized representative.

7 "(g) The combination proof of purchase of a motor
8 vehicle, as provided in subsection (a) above, shall consist of
9 a legible copy of the legal bill of sale if the motor vehicle
10 is not subject to the provisions of the Alabama Uniform
11 Certificate of Title and Antitheft Act, or the owner's copy of
12 the application for certificate of title for a ~~1975 and~~
13 ~~subsequent year model~~ motor vehicle subject to the provisions
14 of the Alabama Uniform Certificate of Title and Antitheft Act,
15 or an ~~official copy of a current and valid Alabama temporary~~
16 ~~registration receipt as authorized under Section 32-6-210 to~~
17 ~~Section 32-6-219, inclusive, assigned to the vehicle being~~
18 ~~operated~~ Alabama certificate of title issued in the name of
19 the vehicle owner or operator.

20 "(h) The evidence of insurance shall be ~~displayed~~
21 presented upon request made by any law enforcement officer
22 wearing a uniform or ~~displaying~~ presenting a badge, or both or
23 other sign of authority. Any person who fails or refuses to
24 comply with such request is in violation of Section 32-7A-16
25 unless evidence of motor vehicle liability insurance or other
26 evidence of financial responsibility as provided in this
27 chapter is verified through the online insurance verification

1 system. Any person who ~~displays~~ presents evidence of
2 insurance, knowing there is no valid liability insurance in
3 effect on the motor vehicle as required under Section 32-7A-4
4 or knowing the evidence of insurance is illegally altered,
5 counterfeit, or otherwise invalid, is in violation of Section
6 32-7A-16.

7 "§32-7A-7.

8 "(a) The department may ~~select random samples of~~
9 review registrations of motor vehicles subject to Section
10 32-7A-4, or owners thereof, for the purpose of verifying
11 whether or not the motor vehicles are insured through an
12 online insurance verification system. If the department cannot
13 verify the insurance status of a vehicle using the online
14 insurance verification system or other such method for
15 deposits of cash or motor vehicle insurance liability bonds,
16 the department may send owners requests for information about
17 their motor vehicles and liability insurance in accordance
18 with subsections (d) and (e).

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

24 "(1) Whose motor vehicle registrations ~~during the~~
25 ~~preceding four years~~ have been suspended pursuant to Section
26 ~~32-7A-9~~ 32-7A-12 or ~~32-7A-11~~ any other provision of this
27 chapter.

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

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

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

9 "(c) The director shall provide to the department,
10 in a manner designated by the department, the name of an owner
11 or operator of any motor vehicle involved in an accident
12 without liability insurance who is determined not to be
13 subject to the suspension by the director pursuant to the
14 provisions of Section 32-7-6. The director shall also provide
15 to the department, in a manner designated by the department,
16 the name of an owner or operator of any motor vehicle that has
17 been found in violation of Section 32-7A-16.

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

22 "(d) The department may send to owners of ~~randomly~~
23 selected motor vehicles or to ~~randomly~~ selected motor vehicle
24 owners, requests for information about their motor vehicles
25 and liability insurance coverage. The request shall require
26 the owner to ~~state~~ provide:

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

5 "(2) The name, address, NAIC number, and telephone
6 number of the insurance company that insures the motor
7 vehicle.

8 "(3) The effective date of the policy and the
9 expiration date of the policy.

10 "(4) The owner's signature.

11 "(5) The policy number.

12 "(e) Within 30 calendar days after the department
13 mails a request, the owner to whom it is sent shall furnish
14 the requested information to the department ~~with the owner's~~
15 ~~signed and dated affirmation that such information is true and~~
16 ~~correct. Proof~~ in a manner as prescribed by the department.
17 Evidence of insurance in effect on the verification date, as
18 prescribed by the department, may be considered by the
19 department to be a satisfactory response to the request for
20 information.

21 "(f) Any owner whose response indicates that his or
22 her vehicle ~~was not covered by a~~ did not have liability
23 insurance ~~policy~~ coverage on the insurance verification date
24 in accordance with Section 32-7A-4 shall be deemed to have
25 registered or maintained registration of a motor vehicle in
26 violation of that section. Any owner who fails to respond to
27 such a request shall be deemed to have registered or

1 maintained registration of a motor vehicle in violation of
2 Section 32-7A-4.

3 "(g) If the owner responds to the request for
4 information by asserting that his or her vehicle ~~was covered~~
5 ~~by a~~ did have liability insurance ~~policy~~ coverage in
6 accordance with Section 32-7A-4 on the verification date
7 stated in the department's request, the department may conduct
8 a verification of the response by furnishing necessary
9 information to the insurer named in the response. The insurer
10 shall within 30 calendar days inform the department if on the
11 verification date stated the motor vehicle was not insured by
12 the insurer in accordance with Section 32-7A-4 or the
13 department may verify the response by using the online
14 insurance verification system.

15 "(h) No ~~random sample~~ review of registration
16 selected under this section shall be categorized on the basis
17 of race, color, religion, sex, national origin, ancestry, age,
18 marital status, physical or mental disability, economic
19 status, or geography.

20 "§32-7A-8.

21 "If the department determines that an owner has
22 registered or maintained the registration of a motor vehicle
23 without a liability insurance policy or a commercial
24 automobile liability insurance policy in accordance with
25 Section 32-7A-4, the department shall notify the owner that
26 such owner's vehicle registration shall be suspended ~~45~~ 30
27 calendar days after the date of the mailing of the notice

1 unless the owner ~~within 30 calendar days~~ furnishes ~~proof~~
2 evidence of insurance in effect on the verification date, as
3 prescribed by the department. The notice shall be in writing
4 and shall be mailed by ~~first class~~ the U.S. Postal Service ~~or~~
5 ~~by certified mail, return receipt requested,~~ to the ~~owner's~~
6 registrant's last known address as reflected on the
7 department's motor vehicle registration records."

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

12 §32-7A-9.

13 An insurer shall allow access through an online
14 insurance verification system to verify insurance status in
15 accordance with Section 32-7A-7.

16 §32-7A-10.

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

23 (b) The department shall prescribe the form and
24 manner of transmission for the purposes of notifying the
25 Insurance Commissioner under subsection (a).

26 (c) The Insurance Commissioner may impose a fine of
27 up to five thousand dollars (\$5,000) per violation following a

1 hearing, if, after receiving a notice of a potential violation
2 of any material provision of Section 32-7A-9 or 32-7B-5 from
3 the Insurance Commissioner, it is found that an insurer
4 willfully violated a section listed in the notice.

5 §32-7A-11.

6 (a) When the department is unable to verify that
7 liability insurance coverage exists for a motor vehicle
8 registered or required to be registered in this state, the
9 department shall send the registrant notice via USPS mail at
10 the last known address as reflected on the department's motor
11 vehicle registration records. The notice shall require that
12 the registrant, within 30 calendar days of the date of the
13 notice, provide evidence of continuous liability insurance
14 coverage for the vehicle for the period specified by the
15 department. The registration will be suspended unless either:

16 (1) The registrant responds within the required time
17 frame and the response establishes that the registrant has not
18 had a lapse in liability insurance coverage. The department
19 shall then indicate in its records that the insured is in
20 compliance with this chapter.

21 (2) The registrant responds within the required time
22 frame that, after the registration date, he or she did not
23 operate the vehicle during the lapse in coverage due to the
24 motor vehicle being stored, inoperable, or otherwise unused as
25 prescribed by the department. The current registration shall
26 then be revoked and the department shall update its records to
27 reflect that the registration is revoked for the remainder of

1 the registration period. In the event the motor vehicle for
2 which the registration has been revoked is no longer stored,
3 inoperable, or otherwise unused as prescribed by the
4 department, a new registration and license plate must be
5 obtained prior to operating the vehicle.

6 (b) If the registrant subsequently provides, in a
7 manner as prescribed by the department, proof of subsequent
8 liability insurance coverage for the vehicle during the
9 current registration period then the registration shall be
10 reinstated.

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

14 §32-7A-12.

15 (a) The department shall suspend the vehicle
16 registration of any motor vehicle determined to be in
17 violation of Section 32-7A-4, including any motor vehicle
18 operated in violation of Section 32-7A-16 by an operator other
19 than the owner of the vehicle. Neither the fact that,
20 subsequent to the date of verification or violation, the owner
21 acquired the required liability insurance policy nor the fact
22 that the owner terminated ownership of the motor vehicle shall
23 have any bearing upon the required suspension.

24 (b) The registration of any motor vehicle registered
25 in this state shall be suspended upon the department receiving
26 notice of the conviction of the operator of the motor vehicle
27 in another state of an offense which, if committed in this

1 state, would constitute a violation of Section 32-7A-4. Until
2 it is terminated, any suspension under this chapter shall
3 remain in force even if the registration is renewed or a new
4 registration is acquired for the motor vehicle contrary to
5 Section 32-7A-17.

6 (c) In the case of a first violation, the department
7 shall terminate the suspension upon payment by the owner of a
8 reinstatement fee of two hundred dollars (\$200) in a manner as
9 prescribed by the department and submission of proof of
10 current insurance as prescribed by the department to either
11 the department, the vehicle owner's county license plate
12 issuing official, the circuit clerk of any county, or the
13 Administrative Office of Courts. Upon a first violation, the
14 owner's name and identifying information shall be provided to
15 the director by the department, for the purpose of requiring
16 the owner to purchase and maintain insurance pursuant to
17 Section 32-7-13 or Section 32-7-31, or both, for a period of
18 one year.

19 (d) In the case of a second or subsequent violation
20 by a person having ownership interest in a motor vehicle or
21 vehicles within the preceding four years, or a violation of
22 Section 32-7A-16(b) (2), the department shall terminate the
23 suspension four months after its effective date upon payment
24 by the owner of a reinstatement fee of four hundred dollars
25 (\$400) in a manner as prescribed by the department and
26 submission of proof of current insurance as prescribed by the
27 department to either the department or to the vehicle owner's

1 county license plate issuing official, the circuit clerk of
2 any county, or the Administrative Office of Courts. In the
3 case of a second or subsequent violation, the owner's name and
4 identifying information shall be provided to the director by
5 the department, for the purpose of the director requiring the
6 owner to purchase and maintain insurance pursuant to Section
7 32-7-13 or Section 32-7-31, or both, for a period of three
8 years. Upon conviction of a second offense the violator shall
9 be guilty of a Class B misdemeanor.

10 (e) In accepting the reinstatement fee and proof of
11 current insurance, the owner's county license plate issuing
12 official, the circuit clerk of any county, or the
13 Administrative Office of Courts shall be responsible for
14 notifying and forwarding, not later than the next business
15 day, any required documentation concerning the reinstatement
16 of motor vehicle registration or registrations to the
17 department in the manner prescribed by the department.

18 (f) Except as provided in subsections (g) and (i), a
19 portion of the fees received under this section by the
20 department shall be used by the department exclusively for the
21 operation and management of the mandatory liability insurance
22 law and this article. After the payment of the expenses, the
23 remaining funds shall be deposited into the General Fund;
24 provided, if the fees are collected by the owner's county
25 license plate issuing official, the official shall remit the
26 fee to the department, except for 10 percent of the fee, which
27 shall be retained by the official and distributed 50 percent

1 to the county license plate issuing official and 50 percent to
2 the county general fund. The retained fees distributed to the
3 county license plate issuing official shall be deposited into
4 a special fund designated as the "Special Licensing Officials'
5 Fund." The special fund shall be used for the improvement of
6 the equipment and operations in the office of the licensing
7 official charged with motor vehicle registration and titling
8 responsibilities and shall be in addition to the amount
9 budgeted for the office of the official. Fees deposited into
10 the special fund shall be disbursed at the sole discretion of
11 the license plate issuing official and shall be audited by the
12 Examiners of Public Accounts. Such moneys in the special fund
13 shall not accumulate in excess of ten thousand dollars
14 (\$10,000) during any fiscal year. Any excess moneys shall
15 accrue to the county general fund. License plate issuing
16 officials shall remit the balance of the funds to the
17 department in the manner prescribed by the department by the
18 10th day of the month following the month of collection.

19 (g) If the reinstatement fees are collected by the
20 Administrative Office of Courts, it shall remit the fee to the
21 department, except for 15 percent of the fee, which shall be
22 retained in its entirety by the Administrative Office of
23 Courts. If the reinstatement fees are collected by the circuit
24 clerk, it shall remit the fee to the department, except for 15
25 percent of the fee, which shall be retained by the circuit
26 clerk and distributed evenly between the circuit clerk's
27 office and the Administrative Office of Courts. Any portion of

1 the reinstatement fee due to the Administrative Office of
2 Courts shall be deposited into the Advanced Technology and
3 Data Exchange Fund established pursuant to Section 12-19-290.
4 Any portion of the reinstatement fee due to the circuit clerk
5 shall be deposited into the Clerk's Fund established pursuant
6 to Section 12-17-225.4(2).

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

12 (i) Notwithstanding the provisions of subsection
13 (f), 15 percent of the net proceeds received by the department
14 shall be deposited by the department into the Alabama Peace
15 Officers' Annuity and Benefit Fund, as authorized by Section
16 36-21-66.

17 (j) It shall be unlawful for the vehicle owner's
18 county license plate issuing official to fail to collect such
19 reinstatement fees, when due. Additionally, the reinstatement
20 fee shall not be waived by the court when the vehicle owner
21 cannot produce evidence that a valid liability insurance
22 policy was in effect on the date a citation was issued for
23 violation of the provisions of this chapter.

24 (k) The terms "circuit clerk" and "circuit clerk's
25 office" as used in any part of this act shall also include any
26 district clerk or district clerk's office that functions

1 separately from the office of the circuit clerk pursuant to
2 Section 12-17-161, Code of Alabama 1975.

3 §32-7A-13.

4 All officials authorized by law to register motor
5 vehicles, issue motor vehicle license plates, and to perform
6 other duties in connection with the issuance of motor vehicle
7 license plates shall refuse to register or re-register a motor
8 vehicle or refuse to transfer the license plates if the
9 registration is suspended pursuant to Section 32-7A-12.

10 §32-7A-14.

11 A person who, whether present or absent, aids,
12 abets, induces, procures, or causes the commission of an act
13 which, if done directly by him or her, would be a felony or a
14 misdemeanor under a provision of this chapter, is guilty of
15 the same felony or misdemeanor.

16 §32-7A-15.

17 A person is guilty of a Class C felony who, with
18 fraudulent intent:

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

21 (2) Makes, sells, or otherwise makes available an
22 invalid or counterfeit insurance card, or other evidence of
23 insurance.

24 §32-7A-16.

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

26 (1) Operates a motor vehicle without a liability
27 insurance policy, a commercial automobile liability insurance

1 policy, a motor vehicle liability insurance bond, or deposit
2 of cash in accordance with this chapter.

3 (2) With notice of cancellation, recision,
4 abrogation, or termination of insurance, registers, or
5 attempts to register a motor vehicle.

6 (b) A person shall be guilty of a traffic violation
7 who:

8 (1) Operates a motor vehicle and upon demand of a
9 law enforcement officer, fails or refuses to present
10 satisfactory evidence of insurance unless a law enforcement
11 officer verifies motor vehicle liability insurance coverage
12 through the online insurance verification system.

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

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

19 (c) A motor vehicle may be impounded at the
20 discretion of a law enforcement officer if the operator fails
21 to provide evidence of registration and insurance as required
22 by Title 32 or Title 40. Evidence of registration and
23 insurance may be verified through the online insurance
24 verification system and other electronic means as necessary.

25 (d) For the purposes of this chapter, the reference
26 herein to operating a motor vehicle shall be satisfied
27 whenever it is apparent that the vehicle has traveled any

1 distance upon a public road or highway and a law enforcement
2 officer may have only observed the results of finding the
3 vehicle stopped either on or off the public road or highway,
4 as for example when the vehicle has come to a stop after an
5 accident. Witnessing the operation of the vehicle is not
6 required for a citation to be issued under this chapter.

7 §32-7A-17.

8 (a) License plate issuing officials shall not
9 register or re-register a motor vehicle or transfer the
10 license plates if the registration is suspended pursuant to
11 Section 32-7A-12.

12 (b) Notwithstanding the provisions of subsection
13 (a), upon the request of the registrant, the license plate
14 issuing official shall reinstate a registrant's suspended
15 registration at such time the registrant meets the provisions
16 of reinstatement provided for by this chapter.

17 (c) No vehicle registration or renewal thereof shall
18 be issued to any motor vehicle unless the license plate
19 issuing official receives satisfactory evidence of insurance
20 or verification of motor vehicle liability insurance through
21 the online insurance verification system, liability insurance
22 bond, or deposit of cash that provides the minimum motor
23 vehicle insurance coverage required by Section 32-7-6 or is
24 exempted under Section 32-7A-5. Verification by the license
25 plate issuing official shall be made in a manner as prescribed
26 by the department.

1 (d) All officials authorized by law to issue motor
2 vehicle license plates shall obtain, when issuing or
3 transferring motor vehicle registrations, the registrant's
4 valid state issued driver's license or identification card
5 number, a department approved federal identifying number,
6 national driver's license, or for a company or other entity,
7 the federal employer identification number, for inclusion
8 within the motor vehicle registration records in the state and
9 county databases provided these numbers shall not be included
10 on the motor vehicle registration receipts. The department has
11 the additional authority to assign an identifying number to
12 vehicle registrants in order to document compliance with this
13 chapter. This information shall be used by the department in
14 the administration of the provisions of this chapter.

15 §32-7A-18.

16 No verification procedure established under this
17 chapter shall include individual inspections of vehicles on
18 the public streets or highways solely for the purpose of
19 verifying the existence of a valid liability insurance policy
20 or a commercial automobile liability insurance policy. No law
21 enforcement officer shall stop a vehicle solely for the
22 purpose of verifying the existence of a valid insurance
23 policy.

24 §32-7A-19.

25 No state or local governmental unit and no
26 government official or employee acting in the course of his or
27 her official duties in the administration or enforcement of

1 Section 32-7A-4 and related provisions of this chapter shall
2 be liable for any damages brought directly or indirectly by
3 the injured party or a third party, except for damages
4 resulting from willful and wanton misconduct or gross
5 negligence on the part of the governmental unit, official, or
6 employee.

7 §32-7A-20.

8 Whenever a court convicts a person of a violation of
9 Section 32-7A-15 or Section 32-7A-16, the clerk of the court,
10 within 10 calendar days, shall forward a report of the
11 conviction to the department in a form prescribed by the
12 department.

13 §32-7A-21.

14 The following penalties are applicable to violations
15 of this chapter:

16 (1) FELONIES. A person convicted of a felony for the
17 violation of a provision of this chapter is guilty of a Class
18 C felony and is subject to punishment as defined by the
19 Criminal Code of Alabama.

20 (2) MISDEMEANORS. A person convicted of a
21 misdemeanor for the violation of a provision of this chapter
22 is guilty of a Class C misdemeanor and is subject to
23 punishment as defined by the Criminal Code of Alabama.

24 (3) TRAFFIC VIOLATION. A person convicted of a
25 traffic offense for violation of this chapter is subject to a
26 punishment by a fine not to exceed two hundred dollars (\$200)

1 for the first conviction. Upon each subsequent conviction, the
2 fine shall be twice the amount of the last fine.

3 §32-7A-22.

4 No person shall present evidence of insurance to a
5 law enforcement officer, court, officer of the court, the
6 Department of Revenue, or office of the licensing official
7 charged with motor vehicle registration and titling
8 responsibilities, knowing there is no valid liability
9 insurance in effect on the motor vehicle as required under
10 Section 32-7A-4 or knowing the evidence of insurance is
11 altered, counterfeit, or otherwise invalid as evidence of
12 insurance required under Section 32-7A-4. If the law
13 enforcement officer issues a citation to a motor vehicle
14 operator for presenting invalid evidence of insurance, the
15 officer shall confiscate the evidence for presentation in
16 court.

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

19 §32-7A-23.

20 No person charged with violating the requirements of
21 this chapter to maintain or present, or both, evidence of
22 insurance shall be convicted of a Class C misdemeanor in
23 accordance with subsection (a) of Section 32-7A-16 if such
24 person produces in court satisfactory evidence that, at the
25 time of the citation, the motor vehicle was covered by a
26 liability insurance policy, commercial automobile liability
27 insurance policy, liability insurance bond, or deposit of cash

1 in accordance with Section 32-7A-4. However, such person may
2 be convicted of a traffic violation as set forth in subsection
3 (b) of Section 32-7A-16.

4 §32-7A-24.

5 Information regarding the motor vehicle registration
6 suspension or reinstatement status of any person is
7 confidential and shall be released only to the person who is
8 the subject of a suspension or possible suspension, or to law
9 enforcement agencies, courts, and other governmental entities,
10 including officials responsible for the issuance of license
11 plates, as necessary in the administration of the provisions
12 of this chapter.

13 §32-7A-25.

14 This chapter is supplemental to other laws relative
15 to motor vehicles and a liability insurance policy, commercial
16 automobile liability insurance policy, liability insurance
17 bond, or deposit of cash, and insofar as possible shall be
18 construed in pari materia with such laws.

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

22 §32-7B-1.

23 This chapter may be cited as the Alabama Online
24 Insurance Verification System Act.

25 §32-7B-2. Definitions.

26 For the purposes of this article, the following
27 terms shall have the following meanings respectively ascribed

1 to them in this section, except in those instances where the
2 context clearly indicates a different meaning:

3 (1) ADVISORY COUNCIL. A group of 13 voting members
4 consisting of: Two representatives of the Department of
5 Revenue, a representative of the Department of Public Safety,
6 and a representative of the Department of Insurance as well as
7 three insurance company representatives appointed by the
8 Commissioner of Insurance, a representative of the American
9 Insurance Association, a representative of the National
10 Association of Mutual Insurance Companies, a representative of
11 the Property and Casualty Insurers Association of America, a
12 representative of the Alabama Independent Agents Association
13 appointed by the Commissioner of Insurance, a representative
14 of the Alabama Probate Judges Association appointed by the
15 president of the association, and a representative of the
16 Alabama Association of Tax Administrators appointed by the
17 president of the association. This group shall be chaired by
18 the Commissioner of Revenue or his or her designee.

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

21 (3) DEPARTMENT. The Department of Revenue.

22 (4) INSURER. An insurance company licensed or
23 authorized to do business in this state and insuring motor
24 vehicles.

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

1 (6) ONLINE INSURANCE VERIFICATION SYSTEM. An online
2 insurance verification system using web services as
3 recommended by the Insurance Industry Committee for Motor
4 Vehicle Administration (IICMVA), developed by the advisory
5 council, and adopted by the department.

6 §32-7B-3. Establishment of the Online Insurance
7 Verification System.

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

10 (1) Facilitating the implementation of the online
11 insurance verification system.

12 (2) Assisting in the development of a detailed guide
13 for insurers providing for the data fields and other
14 information necessary for compliance along with other
15 necessary regulations.

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

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

20 (5) Issuing recommendations based on periodic
21 reviews of the online insurance verification system by the
22 advisory council. The advisory council shall issue a report to
23 the Departments of Revenue, Public Safety, and Insurance 12
24 months after the online insurance verification system is
25 implemented to evaluate the system's effectiveness in
26 identifying uninsured motorists, and annually thereafter on or

1 before January 1 of each year. The advisory council may also
2 issue recommendations for system enhancements in such report.

3 (b) The department shall:

4 (1) Cooperate with insurers in implementing the
5 online insurance verification system.

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

8 (3) Establish the online insurance verification
9 system framework necessary to inquire of insurers by using
10 multiple keys for greater matching accuracy, including, but
11 not limited to: Insurer NAIC number, vehicle identification
12 numbers, policy number and other key or keys specified by the
13 advisory council.

14 (4) Be responsible for keeping the advisory council
15 informed on implementation status.

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

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

21 §32-7B-4. Functions of the Online Insurance
22 Verification System.

23 The online insurance verification system shall:

24 (1) Be accessible by authorized personnel of the
25 department for direct inquiry. Access by the courts, insurers,
26 law enforcement, and offices of the licensing officials
27 charged with motor vehicle registration and titling

1 responsibilities shall be through authorized personnel of the
2 department. Insurer access shall be limited to data or
3 information transmission as required to operate the online
4 insurance verification system.

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

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

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

20 (5) Utilize open and agreed to data and data
21 transmission standards and standard schema as specified by the
22 advisory council.

23 §32-7B-5. Responsibilities of Insurers.

24 Each insurer shall do the following:

25 (1) Cooperate with the department in operating the
26 online insurance verification system.

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

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

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

9 (5) Be immune from civil and administrative
10 liability for good faith efforts to comply with the terms of
11 this act.

12 (6) Provide an insured under a commercial automobile
13 insurance liability policy with an insurance card clearly
14 indicating that the vehicle is insured under a commercial
15 automobile liability insurance policy in accordance with
16 Section 32-7A-6.

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

21 §32-7B-6. Responsibilities of the Department.

22 The department shall do the following:

23 (1) Cooperate with insurers in operating the online
24 insurance verification system.

25 (2) Maintain the list of authorized requesting
26 entities and individuals and make that a part of the online
27 insurance verification system.

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

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

10 (5) Be responsible for keeping the advisory council
11 informed on functionality, and planned or unplanned service
12 interruptions.

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

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

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

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

26 (10) Nothing in this section prohibits the
27 department from using the services of a third party vendor for

1 facilitating the insurance verification program required by
2 this law.

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

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

10 Section 9. Sections 2, 5, and 7 of this act shall
11 become effective immediately following its passage and
12 approval by the Governor, or its otherwise becoming law.
13 Sections 1, 3, 4, and 6 of this act shall become effective
14 January 1, 2014, following its passage and approval by the
15 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Judiciary..... 01-MAR-11

Read for the second time and placed on the calen-
dar..... 03-MAR-11

Read for the third time and passed as amended 09-MAR-11

Yeas 35
Nays 0

Patrick Harris
Secretary