

1 HB611
2 116863-2
3 By Representative Hubbard
4 RFD: Banking and Insurance
5 First Read: 23-FEB-10

2
3
4
5
6
7
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 add Sections 32-7B-1, 32-7B-2, 32-7B-3, 32-7B-4,
27 32-7B-5, and 32-7B-6 to the Code of Alabama 1975, relating to

1 the establishment of an online insurance verification system
2 on motor vehicles insured under personal insurance coverage;
3 to amend Sections 32-7A-2 to 32-7A-8, inclusive, Code of
4 Alabama 1975; to repeal Sections 32-7A-9 to 32-7A-22,
5 inclusive, Code of Alabama 1975; to add Sections 32-7A-23 to
6 32-7A-39, inclusive, to the Code of Alabama 1975, relating to
7 mandatory motor vehicle liability insurance or other methods
8 of financial responsibility allowed by law; to require the
9 verification of motor vehicle liability insurance or other
10 methods of financial responsibility allowed by law prior to
11 motor vehicle registration and re-registration, and to allow
12 the Department of Revenue and law enforcement to
13 electronically verify motor vehicle liability insurance or
14 other methods of financial responsibility allowed by law with
15 an online insurance verification system; to amend Sections
16 32-7-19, 32-7-20, 32-7-22, and 32-7-24, Code of Alabama 1975,
17 relating to the verification of a motor vehicle liability
18 policy as evidence of financial responsibility through the
19 online insurance verification system on motor vehicles insured
20 under personal insurance coverage.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Chapter 7B of Title 32, consisting of
23 Sections 32-7B-1, 32-7B-2, 32-7B-3, 32-7B-4, 32-7B-5, and
24 32-7B-6, is added to the Code of Alabama 1975, to read as
25 follows:

26 §32-7B-1.

1 This article may be cited as the Alabama Online
2 Insurance Verification System Act.

3 §32-7B-2.

4 For the purposes of this chapter, the following
5 terms shall have the following meanings respectively ascribed
6 to them in this section, except in those instances where the
7 context clearly indicates a different meaning:

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

24 (2) COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
25 POLICY. An insurance policy that:

26 a. Is written on either a commercial coverage or
27 other commercially rated personal policy form, including, but

1 not limited to, a commercial auto, garage, or truckers form,
2 and is not dependent on the type, number, or ownership of
3 vehicle or entity covered or insured, or

4 b. Insures vehicles that are not identified
5 individually by vehicle identification number on the policy.

6 (3) DEPARTMENT. The Department of Revenue.

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

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

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

17 §32-7B-3. Establishment of the Online Insurance
18 Verification System.

19 The department shall convene an advisory council for
20 the purpose of:

21 (1) Facilitating the implementation of the online
22 insurance verification system;

23 (2) Assisting in the development of a detailed guide
24 for insurers providing for the data fields and other
25 information necessary for compliance along with other
26 necessary regulations; and

1 (3) Coordinating a testing phase as prescribed by
2 the advisory council;

3 (4) Identifying necessary changes during the testing
4 phase, as prescribed by the advisory council; and

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

14 §32-7B-4. Functions of the Online Insurance
15 Verification System.

16 The online insurance verification system shall:

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

25 (2) Be able to verify, on a 24 hour, seven days per
26 week basis (minus permitted down time for system maintenance
27 as prescribed by the advisory council), the insurance status

1 of a motor vehicle via the Internet, or similar electronic
2 system consistent with insurance industry and IICMVA
3 recommendations and the specifications and standards of the
4 IICMVA model dated May 8, 2008, or later models as recommended
5 by the advisory council and adopted by the department;

6 (3) Be able to access insurers by using multiple
7 keys for greater matching accuracy, including, but not limited
8 to: Insurer NAIC number, vehicle identification numbers,
9 policy number, and other key or keys specified by the advisory
10 council;

11 (4) Provide data security for the type of
12 information transferred as prescribed by the advisory council;
13 and

14 (5) Utilize open and agreed to data and data
15 transmission standards and standard schema as specified by the
16 advisory council.

17 §32-7B-5. Responsibilities of Insurers.

18 (a) Each insurer shall:

19 (1) Cooperate with the department in establishing
20 and operating the online insurance verification system;

21 (2) Maintain the data necessary to verify insurance
22 status through the online insurance verification system for a
23 period of up to six months;

24 (3) Maintain the web service, pursuant to the
25 requirements established under the online insurance
26 verification system and as specified by the advisory council;

1 (4) Provide data security for the type of
2 information transferred as prescribed by the advisory council;

3 (5) Be immune from civil and administrative
4 liability for good faith efforts to comply with the terms of
5 this chapter; and

6 (6) Provide an insured under a commercial automobile
7 insurance liability policy with an insurance card clearly
8 indicating that the vehicle is insured under a commercial
9 automobile liability insurance policy in accordance with
10 Section 32-7A-6.

11 (b) Nothing in this section prohibits an insurer
12 from using the services of a third party vendor for
13 facilitating the online insurance verification system required
14 by this chapter.

15 §32-7B-6. Responsibilities of the department.

16 (a) The department shall:

17 (1) Cooperate with insurers in implementing and
18 operating the online insurance verification system;

19 (2) Maintain the list of authorized requesting
20 entities and individuals and make that a part of the online
21 insurance verification system;

22 (3) Conduct a pilot project to test the online
23 insurance verification system prior to statewide use;

24 (4) Establish and maintain the online insurance
25 verification system framework necessary to inquire of insurers
26 using the key or keys in accordance with subdivision (3) of
27 Section 32-7B-4;

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

6 (6) Be responsible for keeping the advisory council
7 informed on implementation status, functionality, and planned
8 or unplanned service interruptions;

9 (7) Provide alternative methods of reporting for
10 small insurers writing no more than 500 vehicles in the state
11 as prescribed by the department;

12 (8) Work with the advisory council on issues as they
13 emerge for an equitable resolution for all parties;

14 (9) Maintain historical records of online insurance
15 verification system data for a period as specified by the
16 department;

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

22 (b) Nothing in this section prohibits the department
23 from using the services of a third party vendor for
24 facilitating the insurance verification program required by
25 this law.

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

1 "§32-7A-2.

2 "For the purposes of this chapter, the following
3 terms shall have the following meanings respectively ascribed
4 to them in this section, except in those instances where the
5 context clearly indicates a different meaning:

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

12 "(2) COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
13 POLICY. A policy of insurance that:

14 "a. Is written on either a commercial coverage or
15 other commercially rated personal policy form, including, but
16 not limited to, a commercial auto, garage, or truckers form,
17 and is not dependent on the type, number, or ownership of
18 vehicle or entity covered or insured, or

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

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

23 "~~(2)~~(4) DEALER. Any person dealing in, buying,
24 selling, exchanging, advertising, or negotiating the sale of
25 motor vehicles and licensed under the provisions of Section
26 40-12-391.

1 "~~(3)~~(5) DECLARATIONS PAGE. That part of an insurance
2 policy showing ~~all of the pertinent information,~~ the name of
3 the insured, insuring company, the vehicle make, the year
4 model, the vehicle identification number (VIN), the policy
5 number, the amount of coverage or coverages, and the effective
6 and expiration dates of the policy.

7 "~~(4)~~(6) DEPARTMENT. The Department of Revenue.

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

17 "~~(6)~~(8) DIRECTOR. The Director of Public Safety of
18 the State of Alabama or his or her designee.

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

23 "~~(8)~~(9) INSURANCE BINDER. A document issued by an
24 insurer or its authorized representative showing that a
25 specific vehicle is insured for liability coverage for bodily
26 injury or death and for destruction of property under
27 subsection (c) of Section 32-7-6.

1 "(10) INSURANCE COMMISSIONER. The Commissioner of
2 the Alabama Department of Insurance or his or her designee.

3 "~~(9)~~(11) LIABILITY INSURANCE POLICY. An owner's or
4 an operator's personal automobile liability insurance policy
5 of liability insurance, issued by an insurance carrier duly
6 authorized to transact business in this state, to or for the
7 benefit of the person or vehicle identified in the policy as
8 insured.

9 "~~(10)~~(12) MOTOR VEHICLE. Every self-propelled
10 vehicle that is designed and manufactured to be operated on
11 the streets and highways of Alabama, but not operated upon
12 rails.

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

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

21 "(15) NON-ADMITTED COMPANY. An insurance company not
22 licensed to conduct business in this state which sells
23 coverage that is unavailable from licensed insurers within
24 this state.

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

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

4 "~~(12)~~(18) OPERATOR. Every person who is in actual
5 physical control of a motor vehicle.

6 "~~(13)~~(19) OWNER. Any of the following persons:

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

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

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

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

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

1 "~~(15)~~(22) REGISTRATION. Certificate or certificates
2 and license plates issued under the laws of this state
3 pertaining to the registration of motor vehicles.

4 "~~(16)~~(23) SIGNATURE. A unique mark, process, or
5 verification in a manner prescribed by the department, as
6 provided in Section 40-1-1.

7 "~~(17)~~(24) STATE. Any state, territory or possession
8 of the United States, the District of Columbia, any province
9 or territory of the Dominion of Canada, or a state of the
10 Republic of Mexico.

11 "~~(18)~~(25) SUSPENSION. The ~~temporary~~ withdrawal by
12 formal action of the department of a vehicle's registration
13 ~~for a period~~ as specified by this chapter.

14 "The terms "liability insurance policy," "deposit of
15 cash," and a "motor vehicle liability bond" are used
16 interchangeably throughout this chapter.

17 "§32-7A-3.

18 "(a) The department shall administer and enforce the
19 provisions of this chapter and shall make such reasonable
20 rules and regulations concerning any matter administered in
21 this chapter and shall provide for hearings upon the request
22 of persons aggrieved by orders or acts of the department under
23 the provisions of this chapter.

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

27 "(c) The department may:

1 "(1) Make necessary investigations to procure
2 information required to carry out the provisions of this
3 chapter.

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

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

15 "§32-7A-4.

16 "(a) No person shall operate, register, or maintain
17 registration of, and no owner shall permit another person to
18 operate, register, or maintain registration of, a motor
19 vehicle designed to be used on a public highway unless the
20 motor vehicle is covered by a liability insurance policy, a
21 commercial automobile liability insurance policy, motor
22 vehicle liability bond, or deposit of cash.

23 "(b) (1) The liability insurance policy or commercial
24 automobile liability insurance policy shall be issued in
25 amounts no less than the minimum amounts set for bodily injury
26 or death and for destruction of property under Section
27 32-7-6(c).

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

12 "(3) The deposit of cash with the State Treasurer
13 shall be ~~a sum of not less than fifty thousand dollars~~
14 ~~(\$50,000)~~ in the amount of not less than the minimum amounts
15 set for bodily injury or death and for destruction of property
16 under subsection (c) of Section 32-7-6.

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

22 "(d) Notwithstanding the provisions in subsection
23 (c) of this section, any insurance policies issued by
24 non-admitted insurance companies procured through Alabama
25 licensed surplus lines insurance brokers, pursuant to the
26 provisions of Section 27-10-20 for the amounts prescribed
27 under subsection (c) of Section 32-7-6, shall be deemed to be

1 in compliance with this chapter provided such brokers are
2 licensed with the Department of Insurance and transfer all
3 required insurance information in the manner and frequency as
4 prescribed by the department.

5 "§32-7A-5.

6 "This chapter shall not apply to any of the
7 following vehicles or operators:

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

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

14 "(3) Any motor vehicle which is subject to the
15 supervision and regulation of the Alabama Public Service
16 Commission and for which the owner and/or operator has filed
17 with the commission a bond or insurance policy, the liability
18 under which is not less than that required of the operator of
19 a motor vehicle under the terms of this chapter.

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

23 "(5) Other motor vehicles complying with laws which
24 require the vehicles to be insured in amounts meeting or
25 exceeding the minimum amounts required under Section
26 32-7-6(c).

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

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

4 "(8) Special mobile equipment, as defined in Section
5 32-8-2(20).

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

10 "(10) Motor vehicles owned by a licensed motor
11 vehicle dealer displaying dealer distinctive license plates
12 and held for sale that are covered by a blanket liability
13 insurance policy or commercial automobile liability insurance
14 policy.

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

18 "(12) Vehicles owned by a bank, a subsidiary or
19 affiliate of a bank, or finance company, acquired as an
20 incident to their regular business, that are covered by a
21 blanket liability insurance policy or commercial automobile
22 liability insurance policy.

23 "(13) Vehicles as prescribed by the commissioner
24 that are covered by a blanket liability insurance policy or
25 commercial automobile liability insurance policy.

26 "§32-7A-6.

1 "(a) Every operator of a motor vehicle subject to
2 the provisions of Section 32-7A-4 shall carry within the
3 vehicle evidence of insurance. The evidence shall be legible
4 and sufficient to demonstrate that the motor vehicle currently
5 is covered by a liability insurance policy or a commercial
6 automobile liability insurance policy as required under
7 Section 32-7A-4 and may include, but is not limited to, the
8 following:

9 "(1) An insurance card, or temporary insurance card,
10 provided by the insurer or an authorized representative under
11 this section.

12 "(2) The combination of proof of purchase of the
13 motor vehicle within the previous 60 calendar days and a
14 current and valid insurance card issued for the motor vehicle
15 replaced by such purchase.

16 "(3) The current declarations page of a liability
17 insurance policy.

18 "(4) A liability insurance binder, or legible copy
19 thereof, certificate of liability insurance, or legible copy
20 thereof, ~~or receipt for payment to an insurer or its~~
21 ~~authorized representative for a liability insurance premium,~~
22 ~~or legible copy thereof,~~ provided such document contains all
23 information required in this chapter.

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

1 "(b) The insurer issuing the liability insurance
2 policy or the commercial automobile liability insurance policy
3 shall provide an insurance card for each motor vehicle insured
4 that shall contain the following information:

5 "(1) The vehicle year model.

6 "(2) The vehicle make.

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

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

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

10 "(6) The policy number. Not required on temporary
11 insurance card.

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

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

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

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

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

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

20 "(1) Insurance company name and NAIC number.

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

23 "(3) Effective date.

24 "(4) Expiration date.

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

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

4 "(7) Vehicle make - not required if issued for a
5 ~~fleet~~ commercial automobile liability insurance policy or for
6 a nonowner policy.

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

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

12 "~~(10)~~(9) Signature of authorized representative.

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

26 "(h) The evidence of insurance shall be ~~displayed~~
27 presented upon request made by any law enforcement officer

1 wearing a uniform ~~or displaying~~ and/or presenting a badge or
2 other sign of authority. Any person who fails or refuses to
3 comply with such request is in violation of Section ~~32-7A-16~~
4 32-7A-30 unless evidence of motor vehicle liability insurance
5 or other evidence of financial responsibility as provided in
6 this chapter is verified through the online insurance
7 verification system. Any person who ~~displays~~ presents evidence
8 of insurance, knowing there is no valid liability insurance in
9 effect on the motor vehicle as required under Section 32-7A-4
10 or knowing the evidence of insurance is illegally altered,
11 counterfeit, or otherwise invalid, is in violation of Section
12 ~~32-7A-16~~ 32-7A-30.

13 "§32-7A-7.

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

25 "(b) In addition to such ~~general random samples~~
26 review of motor vehicle registrations in subsection (a), the
27 department may ~~select~~ review for verification ~~other random~~

1 ~~samples including, but not limited to,~~ registrations of motor
2 vehicles owned by persons:

3 "(1) Whose motor vehicle registrations ~~during the~~
4 ~~preceding four years~~ have been suspended pursuant to Section
5 ~~32-7A-9~~ 32-7A-26 or ~~32-7A-11~~ other provisions of this chapter.

6 "(2) Who ~~during the preceding four years~~ have been
7 convicted of violating Section ~~32-7A-16~~ 32-7A-30 while
8 operating vehicles owned by other persons.

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

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

14 "(c) The director shall provide to the department,
15 in a manner designated by the department, the name of an owner
16 or operator of any motor vehicle involved in an accident
17 without liability insurance who is determined not to be
18 subject to the suspension by the director pursuant to the
19 provisions of Section 32-7-6. The director shall also provide
20 to the department, in a manner designated by the department,
21 the name of an owner or operator of any motor vehicle that has
22 been found in violation of Section ~~32-7A-16~~ 32-7A-30.

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

26 "(d) The department may send to owners of ~~randomly~~
27 selected motor vehicles or to ~~randomly~~ selected motor vehicle

1 owners, requests for information about their motor vehicles
2 and liability insurance coverage. The request shall require
3 the owner to state:

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

8 "(2) The name, address, NAIC number, and telephone
9 number of the insurance company that insures the motor
10 vehicle.

11 "(3) The effective date of the policy and the
12 expiration date of the policy.

13 "(4) The owner's signature.

14 "(5) The policy number.

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

24 "(f) Any owner whose response indicates that his or
25 her vehicle ~~was not covered by a~~ did not have liability
26 insurance policy coverage in accordance with Section 32-7A-4
27 shall be deemed to have registered or maintained registration

1 of a motor vehicle in violation of that section. Any owner who
2 fails to respond to such a request shall be deemed to have
3 registered or maintained registration of a motor vehicle in
4 violation of Section 32-7A-4.

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

16 "(h) No ~~random sample selected~~ review under this
17 section shall be categorized on the basis of race, color,
18 religion, sex, national origin, ancestry, age, marital status,
19 physical or mental disability, economic 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~~ 15
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 to 32-7A-22, inclusive,
9 Code of Alabama 1975, are hereby repealed.

10 Section 4. Sections 32-7A-23 to 32-7A-39, inclusive,
11 are hereby added to the Code of Alabama 1975, to read as
12 follows:

13 §32-7A-23.

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

17 §32-7A-24.

18 (a) The department shall notify the Insurance
19 Commissioner of any and all violations by an insurer of
20 Sections 32-7A-23 and 32-7B-5.

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

24 (c) The Insurance Commissioner may suspend or revoke
25 an insurer's certificate of authority, or in lieu thereof, may
26 impose a fine of up to ten thousand dollars (\$10,000) per
27 violation, if, after a hearing thereon, it is found the

1 insurer willfully violated any material provision of Sections
2 32-7A-23 and 32-7B-5.

3 §32-7A-25.

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

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

19 (2) The registrant responds within the required time
20 frame that, after the registration date, he or she did not
21 operate the vehicle during the lapse in coverage due to the
22 motor vehicle being stored, inoperable, or otherwise unused as
23 prescribed by the department. The current registration shall
24 then be revoked and the department shall update its records to
25 reflect that the registration is revoked for the remainder of
26 the registration period. In the event the motor vehicle for
27 which the registration has been revoked is no longer stored,

1 inoperable, or otherwise unused as prescribed by the
2 department, a new registration and license plate must be
3 obtained prior to operating the vehicle.

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

9 (c) Any operator of a motor vehicle for which the
10 registration has been revoked shall be subject to citation by
11 law enforcement in accordance with Section 32-7A-30.

12 §32-7A-26.

13 (a) The department shall suspend the vehicle
14 registration of any motor vehicle determined to be in
15 violation of Section 32-7A-4, including any motor vehicle
16 operated in violation of Section 32-7A-30 by an operator other
17 than the owner of the vehicle. Neither the fact that,
18 subsequent to the date of verification or violation, the
19 registrant acquired the required liability insurance policy
20 nor the fact that the registrant terminated ownership of the
21 motor vehicle shall have any bearing upon the required
22 suspension.

23 (b) The registration of any motor vehicle registered
24 in this state shall be suspended upon the department receiving
25 notice of the conviction of the operator of the motor vehicle
26 in another state of an offense which, if committed in this
27 state, would constitute a violation of Section 32-7A-4. Until

1 it is terminated, any suspension under this chapter shall
2 remain in force even if the registration is renewed or a new
3 registration is acquired for the motor vehicle contrary to
4 Section 32-7A-27.

5 (c) In the case of a first violation, the department
6 shall terminate the suspension upon payment by the registrant
7 of a reinstatement fee of two hundred dollars (\$200) in
8 certified funds and submission of evidence of insurance as
9 prescribed by the department to the vehicle registrant's
10 license plate issuing official.

11 (d) In the case of a second or subsequent violation
12 by a registrant having ownership interest of a motor vehicle
13 or vehicles, or a violation of subdivision (3) of subsection
14 (b) of Section 32-7A-30, the department shall terminate the
15 suspension upon payment by the registrant of a reinstatement
16 fee of five hundred dollars (\$500) in certified funds and
17 submission of evidence of insurance as prescribed by the
18 department to the vehicle registrant's license plate issuing
19 official. Upon conviction of a second or subsequent offense,
20 the violator shall be guilty of a Class C misdemeanor.

21 (e) A license plate may not be transferred from a
22 vehicle for which the registration is suspended, pursuant to
23 this chapter, to another vehicle until after such time that
24 the vehicle registration is reinstated pursuant to this
25 chapter. Furthermore, no new tag or registration shall be
26 issued for the registrant's newly acquired vehicle if the
27 registrant has sold a vehicle subsequent to the insurance

1 verification date for which the motor vehicle registration has
2 been suspended pursuant to this chapter until such time after
3 the appropriate reinstatement fee and evidence of insurance as
4 prescribed by the department is submitted to the vehicle
5 registrant's license plate issuing official.

6 (f) The registrant's license plate issuing official
7 shall be responsible for notifying and forwarding any required
8 documentation concerning the reinstatement of motor vehicle
9 registration or registrations to the department in the manner
10 prescribed by the department.

11 (g) It shall be unlawful for any license plate
12 issuing official to fail to collect a reinstatement fee
13 required under this chapter from a registrant prior to
14 registering or re-registering a motor vehicle.

15 (h) The total proceeds of the fees collected under
16 this section, less the distributions provided for in
17 subsection (j), shall be deposited in the State Treasury;
18 provided that after the distribution in subsection (j), and
19 payment to the department for the expenses incurred in the
20 administration of this chapter, the remaining balance of the
21 deposited fees shall be distributed to the State General Fund.

22 (i) The official shall remit the fee to the
23 department, except for 10 percent of the fee, which shall be
24 retained by the official and distributed 50 percent to the
25 license plate issuing official and 50 percent to the county
26 general fund. The fee retained by the license plate issuing
27 official shall be deposited into a special fund designated as

1 the "Special Licensing Officials' Fund." Moneys in the special
2 fund shall be expended for the improvement of the equipment
3 and operations in the office of the licensing official charged
4 with motor vehicle registration and titling responsibilities
5 and shall be in addition to the amount budgeted for the office
6 of the official. Fees deposited into the special fund shall be
7 dispersed at the sole discretion of the license plate issuing
8 official and shall be audited by the Examiners of Public
9 Accounts. Such moneys in the special fund shall not accumulate
10 in excess of ten thousand dollars (\$10,000) during any fiscal
11 year (October 1 through September 30). Any excess moneys shall
12 accrue to the county general fund. License plate issuing
13 officials shall remit the balance of the funds to the
14 department in the manner prescribed by the department by the
15 20th day of the month following the month of collection.

16 (j) Notwithstanding the provisions of subsection
17 (h), 10 percent of each reinstatement fee collected shall be
18 deposited by the department into the Alabama Peace Officers'
19 Annuity and Benefit Fund, as authorized by Section 36-21-66.

20 (k) Refunds of reinstatement fees collected in
21 error, less the retained fees as provided for in subsections
22 (i) and (j), shall be granted by the department. Anyone who is
23 denied a refund of the reinstatement fee may appeal the denial
24 to the administrative law judge pursuant to Section 40-2A-8.

25 §32-7A-27.

26 All officials authorized by law to register motor
27 vehicles, issue motor vehicle license plates, and to perform

1 other duties in connection with the issuance of motor vehicle
2 license plates shall refuse to register or re-register a motor
3 vehicle or refuse to transfer the license plates if the
4 registration is suspended pursuant to Section 32-7A-26.

5 §32-7A-28.

6 A person who, whether present or absent, aids,
7 abets, induces, procures, or causes the commission of an act
8 which, if done directly by him or her, would be a felony or a
9 misdemeanor under a provision of this chapter, is guilty of
10 the same felony or misdemeanor.

11 §32-7A-29.

12 A person is guilty of a Class C felony who, with
13 fraudulent intent:

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

16 (2) Makes, sells, or otherwise makes available an
17 invalid or counterfeit insurance card, or other evidence of
18 insurance.

19 §32-7A-30.

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

21 (1) Operates a motor vehicle without a liability
22 insurance policy, a commercial automobile liability insurance
23 policy, a motor vehicle liability insurance bond, or deposit
24 of cash in accordance with this chapter.

25 (2) With notice of cancellation, rescission,
26 abrogation, or termination of insurance, registers, or
27 attempts to register a motor vehicle.

1 (b) A person shall be guilty of a traffic violation
2 who:

3 (1) Operates a motor vehicle and upon demand of a
4 law enforcement officer, fails or refuses to present
5 satisfactory evidence of insurance unless a law enforcement
6 officer verifies motor vehicle liability insurance coverage
7 through the online insurance verification system.

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

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

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

20 (d) For the purposes of this chapter, the reference
21 herein to operating a motor vehicle shall be satisfied
22 whenever it is apparent that the vehicle has traveled any
23 distance upon a public road or highway and a law enforcement
24 officer may have only observed the results of finding the
25 vehicle stopped either on or off the public road or highway,
26 as for example when the vehicle has come to a stop after an

1 accident. Witnessing the operation of the vehicle is not
2 required for a citation to be issued under this chapter.

3 §32-7A-31.

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

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

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

23 (d) All officials authorized by law to issue motor
24 vehicle license plates shall obtain, when issuing or
25 transferring motor vehicle registrations, the registrant's
26 state issued driver's license or identification card number, a
27 department approved federal identifying number, national

1 driver's license, or for a company or other entity, the
2 federal employer identification number, for inclusion within
3 the motor vehicle registration records in the state and county
4 databases provided these numbers shall not be included on the
5 motor vehicle registration receipts. The department has the
6 additional authority to assign an identifying number to
7 vehicle registrants in order to document compliance with this
8 chapter. This information shall be used by the department in
9 the administration of the provisions of this chapter.

10 §32-7A-32.

11 No verification procedure established under this
12 chapter shall include individual inspections of vehicles on
13 the public streets or highways solely for the purpose of
14 verifying the existence of a valid insurance policy. No law
15 enforcement officer shall stop a vehicle solely for the
16 purpose of verifying the existence of a valid insurance
17 policy.

18 §32-7A-33.

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

1 §32-7A-34.

2 Whenever a court convicts a person of a violation of
3 Section 32-7A-29 or Section 32-7A-30, the clerk of the court,
4 within 10 calendar days, shall forward a report of the
5 conviction to the department in a form prescribed by the
6 department.

7 §32-7A-35.

8 The following penalties are applicable to violations
9 of this chapter:

10 (1) FELONIES. A person convicted of a felony for the
11 violation of a provision of this chapter is guilty of a Class
12 C felony and is subject to punishment as defined by the
13 Criminal Code of Alabama.

14 (2) MISDEMEANORS. A person convicted of a
15 misdemeanor for the violation of a provision of this chapter
16 is guilty of a Class C misdemeanor and is subject to
17 punishment as defined by the Criminal Code of Alabama.

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

23 §32-7A-36.

24 No person shall present evidence of insurance to a
25 law enforcement officer, court, officer of the court, or
26 office of the licensing official charged with motor vehicle
27 registration and titling responsibilities knowing there is no

1 valid liability insurance in effect on the motor vehicle as
2 required under Section 32-7A-4 or knowing the evidence of
3 insurance is altered, counterfeit, or otherwise invalid as
4 evidence of insurance required under Section 32-7A-4. If the
5 law enforcement officer issues a citation to a motor vehicle
6 operator for presenting invalid evidence of insurance, the
7 officer shall confiscate the evidence for presentation in
8 court.

9 §32-7A-37.

10 No person charged with violating the requirements of
11 this chapter to maintain or present, or both, evidence of
12 insurance shall be convicted of a Class C misdemeanor in
13 accordance with subsection (a) of Section 32-7A-30 if such
14 person produces in court satisfactory evidence that at the
15 time of the citation the motor vehicle was covered by a
16 liability insurance policy, commercial automobile liability
17 insurance policy, liability insurance bond, or deposit of cash
18 in accordance with Section 32-7A-4. However, such person may
19 be convicted of a traffic violation as set forth in subsection
20 (b) of Section 32-7A-30.

21 §32-7A-38.

22 Information regarding the motor vehicle registration
23 suspension or reinstatement status of any person is
24 confidential and shall be released only to the person who is
25 the subject of a suspension or possible suspension, or to law
26 enforcement agencies, courts, and other governmental entities,
27 including officials responsible for the issuance of license

1 plates, as necessary in the administration of the provisions
2 of this chapter.

3 §32-7A-39.

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

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

14 Section 6. Sections 32-7-19, 32-7-20, 32-7-22, and
15 32-7-24, Code of Alabama 1975, are amended to read as follows:

16 "§32-7-19.

17 "(a) Proof of financial responsibility when required
18 under this chapter with respect to a motor vehicle or with
19 respect to a person who is not the owner of a motor vehicle
20 may be given by filing:

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

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

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

26 "(4) A certificate of self-insurance, as provided in
27 Section 32-7-34, supplemented by an agreement by the

1 self-insurer that, with respect to accidents occurring while
2 the certificate is in force, he will pay the same judgments
3 and in the same amounts that an insurer would have been
4 obligated to pay under an owner's motor vehicle liability
5 policy if it had issued such a policy to said self-insurer.

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

12 ~~"(b)(c)~~ No motor vehicle shall be or continue to be
13 registered in the name of any person required to file proof of
14 financial responsibility unless such proof shall be furnished
15 for such motor vehicle.

16 "§32-7-20.

17 "(a) Proof of financial responsibility may be
18 furnished by filing with the director the written certificate
19 of any insurance carrier duly authorized to do business in
20 this state certifying that there is in effect a motor vehicle
21 liability policy for the benefit of the person required to
22 furnish proof of financial responsibility. Such certificate
23 shall give the effective date of such motor vehicle liability
24 policy, which date shall be the same as the effective date of
25 the certificate, and shall designate by explicit description
26 or by appropriate reference all motor vehicles covered

1 thereby, unless the policy is issued to a person who is not
2 the owner of a motor vehicle.

3 "(b) Proof of financial responsibility relating to a
4 motor vehicle liability policy may be verified through the
5 online insurance verification system of Chapter 7B of Title 32
6 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 motor vehicle is so
10 designated in such a certificate.

11 "§32-7-22.

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

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

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

23 "(2) Shall insure the person named in the policy and
24 any other person, as insured, using any motor vehicle or motor
25 vehicles designated in the policy with the express or implied
26 permission of the named insured, against loss from the
27 liability imposed by law for damages arising out of the

1 ownership, maintenance, or use of such motor vehicle or motor
2 vehicles within the United States of America or the Dominion
3 of Canada, subject to limits exclusive of interest and costs,
4 with respect to each such motor vehicle, ~~as follows:~~
5 ~~twenty-five thousand dollars (\$25,000) because of bodily~~
6 ~~injury to or death of one person in any one accident and,~~
7 ~~subject to the limit for one person, fifty thousand dollars~~
8 ~~(\$50,000) because of bodily injury to or death of two or more~~
9 ~~persons in any one accident; and twenty-five thousand dollars~~
10 ~~(\$25,000) because of injury to or destruction of property of~~
11 ~~others in any one accident in the amount of not less than the~~
12 ~~minimum amounts set for bodily injury or death and for~~
13 ~~destruction of property under subsection (c) of Section~~
14 ~~32-7-6.~~

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

23 "(d) The motor vehicle liability policy shall state
24 the name and address of the named insured, the coverage
25 afforded by the policy, the premium charged for the policy,
26 the policy period, and the limits of liability and shall
27 contain an agreement or be endorsed that insurance is provided

1 under the policy in accordance with the coverage defined in
2 this chapter for bodily injury and death or property damage,
3 or both, and is subject to all the provisions of this chapter.

4 "(e) The motor vehicle liability policy need not
5 insure any liability under any workers' compensation law nor
6 any liability on account of bodily injury to or death of an
7 employee of the insured while engaged in the employment, other
8 than domestic, of the insured, or while engaged in the
9 operation, maintenance, or repair of any motor vehicle nor any
10 liability for damage to property owned by, rented to, in
11 charge of or transported by the insured.

12 "(f) Every motor vehicle liability policy shall be
13 subject to the following provisions which need not be
14 contained in the policy:

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

24 "(2) The satisfaction by the insured of a judgment
25 for injury or damage shall not be a condition precedent to the
26 right or duty of the insurance carrier to make payment on
27 account of injury or damage.

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

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

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

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

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

26 "(j) The requirements for a motor vehicle liability
27 policy may be fulfilled by the policies of one or more

1 insurance carriers which policies together meet the
2 requirements for a policy.

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

6 "§32-7-24.

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

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

24 Section 7. Section 1 shall become effective
25 immediately following its passage and approval by the
26 Governor, or its otherwise becoming law. Sections 2 to 6,
27 inclusive, shall become effective January 1, 2013, following

1 its passage and approval by the Governor, or its otherwise
2 becoming law.