

1 HB221  
2 197212-1  
3 By Representatives Pettus and Robertson  
4 RFD: Public Safety and Homeland Security  
5 First Read: 19-MAR-19

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8 SYNOPSIS: Under existing law, an operator of a motor  
9 vehicle is required to carry within the vehicle  
10 evidence of liability insurance.

11 This bill would provide that a nonresident  
12 may not operate or permit another person to operate  
13 in the State of Alabama a motor vehicle registered  
14 to him or her unless the nonresident maintains the  
15 financial responsibility which conforms to the  
16 requirements of the laws of the state in which the  
17 vehicle is registered and would require the  
18 nonresident to carry within the motor vehicle  
19 evidence of liability insurance.

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21 A BILL  
22 TO BE ENTITLED  
23 AN ACT  
24

25 To amend Sections 32-7A-4, 32-7A-5, and 32-7A-6,  
26 Code of Alabama 1975, relating to mandatory automobile  
27 liability insurance, to provide that a nonresident may not

1 operate or permit another person to operate in the State of  
2 Alabama a motor vehicle registered to him or her without proof  
3 of financial responsibility which conforms to the requirements  
4 of the laws of the state in which the vehicle is registered.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Sections 32-7A-4, 32-7A-5, and 32-7A-6,  
7 Code of Alabama 1975, are amended to read as follows:

8 "§32-7A-4.

9 "(a) (1) No person shall operate, register, or  
10 maintain registration of, and no owner shall permit another  
11 person to operate, register, or maintain registration of, a  
12 motor vehicle designed to be used on a public highway unless  
13 the motor vehicle is covered by a liability insurance policy,  
14 a commercial automobile liability insurance policy, motor  
15 vehicle liability bond, or deposit of cash.

16 "(2) No person who is a nonresident of this state  
17 shall operate or permit another person to operate in this  
18 state a motor vehicle registered to the nonresident in another  
19 state unless the motor vehicle is covered by a liability  
20 insurance policy, commercial automobile liability insurance  
21 policy, motor vehicle liability bond, or deposit of cash which  
22 conforms to the requirements of the laws of the state of  
23 registration.

24 "(b) (1) The liability insurance policy or commercial  
25 automobile liability insurance policy shall be issued in  
26 amounts no less than the minimum amounts set for bodily injury

1 or death and for destruction of property under Section 32-7-6(c).

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

13 "(3) The deposit of cash with the State Treasurer  
14 shall be 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), any insurance policies issued by non-admitted insurance  
24 companies procured through Alabama licensed surplus lines  
25 insurance brokers, pursuant to the provisions of Section  
26 27-10-20 for the amounts prescribed under subsection (c) of  
27 Section 32-7-6, shall be deemed to be in compliance with this

1 chapter provided the brokers are licensed with the Department  
2 of Insurance and the brokers transfer all required insurance  
3 information in the manner and frequency as prescribed by the  
4 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 Federal Motor Carrier Safety  
16 Administration or the Alabama Public Service Commission and  
17 for which the owner and/or operator has filed evidence of  
18 financial responsibility, the liability under which is not  
19 less than that required of the operator of a motor vehicle  
20 under the terms of this chapter.

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

24 "(5) Other motor vehicles complying with laws which  
25 require the vehicles to be insured in amounts meeting or  
26 exceeding the minimum amounts required under Section  
27 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, wholesaler, rebuilder, or reconditioner and  
12 held in inventory 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)~~ (11) 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)~~ (12) Vehicles as prescribed by the  
24 commissioner that are covered by a blanket liability insurance  
25 policy or 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 or, if the operator is a  
4 nonresident of this state, evidence of insurance which  
5 conforms to the requirements of the laws of the state in which  
6 the vehicle is registered. The evidence shall be legible and  
7 sufficient to demonstrate that the motor vehicle currently is  
8 covered by an Alabama liability insurance policy or an Alabama  
9 commercial automobile liability insurance policy as required  
10 under Section 32-7A-4 or, if the operator is a nonresident of  
11 this state, evidence of insurance which conforms to the  
12 requirements of the laws of the state in which the vehicle is  
13 registered and may include, but is not limited to, the  
14 following:

15           "(1) An insurance card, or temporary insurance card,  
16 provided by the insurer or an authorized representative under  
17 this section.

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

22           "(3) The current declarations page of an Alabama  
23 liability insurance policy.

24           "(4) An Alabama liability insurance binder, or  
25 legible copy thereof, Alabama certificate of liability  
26 insurance, or legible copy thereof; provided such document  
27 contains all information required in this chapter.

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

5           "(b) The insurer issuing the Alabama liability  
6 insurance policy or the Alabama commercial automobile  
7 liability insurance policy shall provide an Alabama insurance  
8 card for each motor vehicle insured that shall contain the  
9 following information:

10           "(1) The vehicle year model.

11           "(2) The vehicle make.

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

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

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

15           "(6) The Alabama policy number, not required on  
16 temporary insurance card.

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

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

20           "(c) Notwithstanding the foregoing, if the insurance  
21 card is issued for a commercial automobile liability insurance  
22 policy, the card may state "FLEET," "COMMERCIAL," "COMMERCIAL  
23 POLICY," or "COMMERCIAL EXEMPT" in lieu of vehicle years,  
24 makes, and VIN's if vehicle years, makes, and VIN's are not  
25 captured by the insurer. If the vehicle years, makes, and  
26 VIN's are captured by the insurer, then the insurer may  
27 provide such information on the insurance card, but must state



1 "FLEET," "COMMERCIAL," "COMMERCIAL POLICY," or "COMMERCIAL  
2 EXEMPT" on the insurance card. If the insurance card is issued  
3 for a nonowner policy, the card may state "NONOWNER POLICY" in  
4 lieu of the vehicle year, make, and VIN.

5 "(d) All required information shall appear on the  
6 front of the card. The insurance card may include other  
7 information at the discretion of the insurer. Insurance  
8 companies may allow authorized representatives to issue  
9 temporary insurance cards to satisfy the requirements of this  
10 chapter. Temporary insurance cards are not required to have  
11 the policy number but shall contain all other required  
12 information.

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

18 "(f) Insurance binders, certificates of liability  
19 insurance, and other evidence of insurance as required under  
20 this section, must meet the following requirements (except  
21 where noted):

22 "(1) Insurance company name.

23 "(2) Alabama Policy number - not required on a  
24 binder or temporary insurance card.

25 "(3) Effective date.

26 "(4) Expiration date.

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

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

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

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

10          "(9) Signature of authorized representative.

11          "(g) The combination proof of purchase of a motor  
12 vehicle, as provided in subsection (a) above, shall consist of  
13 a legible copy of the legal bill of sale if the motor vehicle  
14 is not subject to the provisions of the Alabama Uniform  
15 Certificate of Title and Antitheft Act, or the owner's copy of  
16 the application for certificate of title for a motor vehicle  
17 subject to the provisions of the Alabama Uniform Certificate  
18 of Title and Antitheft Act, or an Alabama certificate of title  
19 issued in the name of the vehicle owner or operator.

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

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

6 "(i) The evidence of insurance may be provided in  
7 either a tangible format or in an electronic format.  
8 Acceptable electronic formats include the display of  
9 electronic images on a cellular phone or other electronic  
10 device.

11 "(j) The use of a cellular phone or other electronic  
12 device to display evidence of insurance does not constitute  
13 consent for law enforcement or other governmental employees to  
14 access any other content on the electronic device. Any law  
15 enforcement officer or other governmental employee presented  
16 with an electronic device pursuant to this section shall be  
17 subject to the provisions of Section 36-1-12 for damages to  
18 the electronic device resulting from acts taken when viewing  
19 the device pursuant to this section."

20 Section 2. This act shall become effective  
21 immediately following its passage and approval by the  
22 Governor, or its otherwise becoming law.