

1 HB279
2 204725-1
3 By Representative Pettus
4 RFD: Public Safety and Homeland Security
5 First Read: 18-FEB-20

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

This bill would prohibit a nonresident from operating or permitting another person to operate a motor vehicle registered to him or her, in the State of Alabama, unless the nonresident maintains requirements of the laws of the state in which the vehicle is registered.

This bill would also require the nonresident to carry evidence of liability insurance inside the motor vehicle.

A BILL
TO BE ENTITLED
AN ACT

To amend Sections 32-7A-4, 32-7A-5, as last amended by Act 2019-446 of the 2019 Regular Session, and 32-7A-6, Code of Alabama 1975, relating to mandatory automobile liability

1 insurance, to provide that a nonresident may not operate or
2 permit another person to operate in the State of Alabama a
3 motor vehicle registered to him or her without proof of
4 financial responsibility which conforms to the requirements of
5 the laws of the state in which the vehicle is registered.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Sections 32-7A-4, 32-7A-5, as last
8 amended by Act 2019-446 of the 2019 Regular Session, and
9 32-7A-6, Code of Alabama 1975, are amended to read as follows:

10 "§32-7A-4.

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

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

26 "(b) (1) The liability insurance policy or commercial
27 automobile liability insurance policy shall be issued in

1 amounts no less than the minimum amounts set for bodily injury
2 or death and for destruction of property under Section
3 32-7-6(c).

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

15 "(3) The deposit of cash with the State Treasurer
16 shall be in the amount of not less than the minimum amounts
17 set for bodily injury or death and for destruction of property
18 under subsection (c) of Section 32-7-6.

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

24 "(d) Notwithstanding the provisions in subsection
25 (c), any insurance policies issued by non-admitted insurance
26 companies procured through Alabama licensed surplus lines
27 insurance brokers, pursuant to the provisions of Section

1 27-10-20 for the amounts prescribed under subsection (c) of
2 Section 32-7-6, shall be deemed to be in compliance with this
3 chapter provided the brokers are licensed with the Department
4 of Insurance and the brokers transfer all required insurance
5 information in the manner and frequency as prescribed by the
6 department.

7 "§32-7A-5.

8 "This chapter shall not apply to any of the
9 following vehicles or operators:

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

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

16 "(3) Any motor vehicle which is subject to the
17 supervision and regulation of the Federal Motor Carrier Safety
18 Administration or the Alabama Public Service Commission and
19 for which the owner and/or operator has filed evidence of
20 financial responsibility, the liability under which is not
21 less than that required of the operator of a motor vehicle
22 under the terms of this chapter.

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

26 "(5) Other motor vehicles complying with laws which
27 require the vehicles to be insured in amounts meeting or

1 exceeding the minimum amounts required under Section
2 32-7-6(c).

3 "(6) Implements of husbandry as defined in Section
4 32-8-2.

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

6 "(8) Special mobile equipment, as defined in Section
7 32-8-2.

8 "(9) Inoperable or stored motor vehicles for which
9 the registrant has surrendered the registration and associated
10 license plate in accordance with the rules adopted by the
11 department prior to the motor vehicle no longer being covered
12 by a liability insurance policy required by this chapter.

13 "(10) Motor vehicles owned by a licensed motor
14 vehicle dealer, wholesaler, or rebuilder and held in inventory
15 that are covered by a blanket liability insurance policy or
16 commercial automobile liability insurance policy.

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

20 ~~"(12)~~ (11) Vehicles owned by a bank, a subsidiary or
21 affiliate of a bank, or finance company, acquired as an
22 incident to their regular business, that are covered by a
23 blanket liability insurance policy or commercial automobile
24 liability insurance policy.

25 ~~"(13)~~ (12) Vehicles as prescribed by the
26 commissioner that are covered by a blanket liability insurance
27 policy or commercial automobile liability insurance policy.

1 "§32-7A-6.

2 "(a) Every operator of a motor vehicle subject to
3 the provisions of Section 32-7A-4 shall carry within the
4 vehicle evidence of insurance or, if the operator is a
5 nonresident of this state, evidence of insurance which
6 conforms to the requirements of the laws of the state in which
7 the vehicle is registered. The evidence shall be legible and
8 sufficient to demonstrate that the motor vehicle currently is
9 covered by an Alabama liability insurance policy or an Alabama
10 commercial automobile liability insurance policy as required
11 under Section 32-7A-4 or, if the operator is a nonresident of
12 this state, evidence of insurance which conforms to the
13 requirements of the laws of the state in which the vehicle is
14 registered and may include, but is not limited to, the
15 following:

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

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

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

25 "(4) An Alabama liability insurance binder, or
26 legible copy thereof, Alabama certificate of liability

1 insurance, or legible copy thereof; provided such document
2 contains all information required in this chapter.

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

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

12 "(1) The vehicle year model.

13 "(2) The vehicle make.

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

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

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

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

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

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

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

1 VIN's are captured by the insurer, then the insurer may
2 provide such information on the insurance card, but must state
3 "FLEET," "COMMERCIAL," "COMMERCIAL POLICY," or "COMMERCIAL
4 EXEMPT" on the insurance card. If the insurance card is issued
5 for a nonowner policy, the card may state "NONOWNER POLICY" in
6 lieu of the vehicle year, make, and VIN.

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

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

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

24 "(1) Insurance company name.

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

27 "(3) Effective date.

1 "(4) Expiration date.

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

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

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

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

12 "(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 copy of
18 the application for certificate of title for a motor vehicle
19 subject to the provisions of the Alabama Uniform Certificate
20 of Title and Antitheft Act, or an Alabama certificate of title
21 issued in the name of the vehicle owner or operator.

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

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

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

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

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