

1 SB419
2 117710-2
3 By Senator Orr
4 RFD: Banking and Insurance
5 First Read: 11-FEB-10

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

21
22 A BILL

23 TO BE ENTITLED

24 AN ACT

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

1 and 32-7A-8, Code of Alabama 1975, relating to the
2 verification of a motor vehicle liability policy as evidence
3 of financial responsibility through the online insurance
4 verification system on motor vehicles insured under personal
5 insurance coverage and to establish an online insurance
6 verification system on motor vehicles insured under personal
7 insurance coverage; to add Sections 32-7A-9, 32-7A-10,
8 32-7A-11, 32-7A-12, 32-7A-13, 32-7A-14, 32-7A-15, 32-7A-16,
9 32-7A-17, 32-7A-18, 32-7A-19, 32-7A-20, 32-7A-21, 32-7A-22,
10 32-7A-23, 32-7A-24, and 32-7A-25 to the Code of Alabama 1975;
11 relating to mandatory motor vehicle liability insurance or
12 other methods of financial responsibility allowed by law, to
13 require the verification of motor vehicle liability insurance
14 or other methods of financial responsibility allowed by law
15 prior to motor vehicle registration and re-registration, and
16 to allow the Department of Revenue and law enforcement to
17 electronically verify motor vehicle liability insurance or
18 other methods of financial responsibility allowed by law with
19 an online insurance verification system; and to add Sections
20 32-7B-1, 32-7B-2, 32-7B-3, 32-7B-4, 32-7B-5, and 32-7B-6 to
21 the Code of Alabama 1975; relating to the establishment of an
22 online insurance verification system on motor vehicles insured
23 under personal insurance coverage; and to repeal Sections
24 32-7A-9, 32-7A-10, 32-7A-11, 32-7A-12, 32-7A-13, 32-7A-14,
25 32-7A-15, 32-7A-16, 32-7A-17, 32-7A-18, 32-7A-19, 32-7A-20,
26 32-7A-21, and 32-7A-22, Code of Alabama 1975.
27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Sections 32-7-19, 32-7-20, 32-7-22,
2 32-7-24, 32-7A-2, 32-7A-3, 32-7A-4, 32-7A-5, 32-7A-6, 32-7A-7,
3 and 32-7A-8, Code of Alabama 1975, are amended to read as
4 follows:

5 "§32-7-19.

6 "(a) Proof of financial responsibility when required
7 under this chapter with respect to a motor vehicle or with
8 respect to a person who is not the owner of a motor vehicle
9 may be given by filing:

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

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

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

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

22 "(b) Proof of financial responsibility relating to a
23 motor vehicle liability policy when required under this
24 chapter with respect to a motor vehicle or with respect to a
25 person who is not the owner of a motor vehicle may be verified
26 through the online insurance verification system of Chapter 7B
27 of Title 32 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 proof shall be furnished
4 for such motor vehicle.

5 "§32-7-20.

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

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

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

26 "§32-7-22.

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

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

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

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

21 ~~twenty-five thousand dollars (\$25,000) because of bodily~~
22 ~~injury to or death of one person in any one accident and,~~
23 ~~subject to the limit for one person, fifty thousand dollars~~
24 ~~(\$50,000) because of bodily injury to or death of two or more~~
25 ~~persons in any one accident; and twenty-five thousand dollars~~
26 ~~(\$25,000) because of injury to or destruction of property of~~
27 ~~others in any one accident in the amount of not less than the~~

1 minimum amounts set for bodily injury or death and for
2 destruction of property under subsection (c) of Section
3 32-7-6.

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

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

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

1 "(f) Every motor vehicle liability policy shall be
2 subject to the following provisions which need not be
3 contained in the policy:

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

13 "(2) The satisfaction by the insured of a judgment
14 for injury or damage shall not be a condition precedent to the
15 right or duty of the insurance carrier to make payment on
16 account of injury or damage.

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

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

26 "(g) Any policy which grants the coverage required
27 for a motor vehicle liability policy may also grant any lawful

1 coverage in excess of or in addition to the coverage specified
2 for a motor vehicle liability policy, and the excess or
3 additional coverage shall not be subject to this chapter. With
4 respect to a policy which grants any excess or additional
5 coverage, the term "motor vehicle liability policy" shall
6 apply only to that part of the coverage which is required by
7 this section.

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

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

15 "(j) The requirements for a motor vehicle liability
16 policy may be fulfilled by the policies of one or more
17 insurance carriers which policies together meet the
18 requirements for a policy.

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

22 "§32-7-24.

23 "(a) When an insurance carrier has certified a motor
24 vehicle liability policy under Section 32-7-20 or a policy
25 under Section 32-7-21, the insurance so certified shall not be
26 cancelled or terminated until at least 10 days after a notice
27 of cancellation or termination of the insurance so certified

1 shall be filed in the office of the director; except, that
2 such a policy subsequently procured and certified shall, on
3 the effective date of its certification, terminate the
4 insurance previously certified with respect to any motor
5 vehicle designated in both certificates.

6 "(b) When the director has verified evidence of a
7 motor vehicle liability policy using the online insurance
8 verification system under subsection (b) of Section 32-7-20,
9 the director shall continue to verify evidence of a motor
10 vehicle liability policy using the online insurance
11 verification system under subsection (b) of Section 32-7-20
12 for the applicable period.

13 "§32-7A-2.

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

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

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.

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

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

8 "(2)(4) DEALER. Any person dealing in, buying,
9 selling, exchanging, advertising, or negotiating the sale of
10 motor vehicles and licensed under the provisions of Section
11 40-12-391.

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

18 "(4)(6) DEPARTMENT. The Department of Revenue.

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

1 "~~(6)~~(8) DIRECTOR. The Director of Public Safety of
2 the State of Alabama, or his or her designee.

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

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

12 "(10) INSURANCE COMMISSIONER. The Commissioner of
13 the Department of Insurance of the State of Alabama, or his or
14 her designee.

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

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

25 "~~(11)~~(13) MOTOR VEHICLE LIABILITY BOND. A bond of a
26 surety company duly authorized to transact business in this
27 state, which is conditioned for payments in amounts and under

1 the same circumstances as would be required in a motor vehicle
2 liability insurance policy.

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

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

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

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

15 ~~"(12)~~ (18) OPERATOR. Every person who is in actual
16 physical control of a motor vehicle.

17 ~~"(13)~~ (19) OWNER. Any of the following persons:

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

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

1 mortgagor, debtor, conditional vendee, or lessee shall be
2 deemed the owner for purposes of this chapter.

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

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

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

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

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

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

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

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

27 "§32-7A-3.

1 "(a) The department shall administer and enforce the
2 provisions of this chapter and shall make such reasonable
3 rules and regulations concerning any matter administered in
4 this chapter and shall provide for hearings upon the request
5 of persons aggrieved by orders or acts of the department under
6 the provisions of this chapter.

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

10 "(c) The department may:

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

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

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

25 "§32-7A-4.

26 "(a) No person shall operate, register, or maintain
27 registration of, and no owner shall permit another person to

1 operate, register, or maintain registration of, a motor
2 vehicle designed to be used on a public highway unless the
3 motor vehicle is covered by a liability insurance policy, a
4 commercial automobile liability insurance policy, motor
5 vehicle liability bond, or deposit of cash.

6 "(b) (1) The liability insurance policy or commercial
7 automobile liability insurance policy shall be issued in
8 amounts no less than the minimum amounts set for bodily injury
9 or death and for destruction of property under Section
10 32-7-6(c).

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

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

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

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

15 "§32-7A-5.

16 "This chapter shall not apply to any of the
17 following vehicles or operators:

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

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

24 "(3) Any motor vehicle which is subject to the
25 supervision and regulation of the Alabama Public Service
26 Commission and for which the owner and/or operator has filed
27 with the commission a bond or insurance policy, the liability

1 under which is not less than that required of the operator of
2 a motor vehicle under the terms of this chapter.

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

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

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

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

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

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

19 "(10) Motor vehicles owned by a licensed motor
20 vehicle dealer displaying dealer distinctive license plates
21 and held for sale that are covered by a blanket liability
22 insurance policy or commercial automobile liability insurance
23 policy.

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

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

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

9 "§32-7A-6.

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

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

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

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

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

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

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

15 "(1) The vehicle year model.

16 "(2) The vehicle make.

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

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

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

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

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

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

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

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

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

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

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

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

3 "(1) Insurance company name.

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

6 "(3) Effective date.

7 "(4) Expiration date.

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

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

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

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

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

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

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

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

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

21 "§32-7A-7.

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

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

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

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

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

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

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

22 "(c) The director shall provide to the department,
23 in a manner designated by the department, the name of an owner
24 or operator of any motor vehicle involved in an accident
25 without liability insurance who is determined not to be
26 subject to the suspension by the director pursuant to the
27 provisions of Section 32-7-6. The director shall also provide

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

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

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

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

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

19 "(3) The effective date of the policy and the
20 expiration date of the policy.

21 "(4) The owner's signature.

22 "(5) The policy number.

23 "(e) Within 30 calendar days after the department
24 mails a request, the owner to whom it is sent shall furnish
25 the requested information to the department ~~with the owner's~~
26 ~~signed and dated affirmation that such information is true and~~
27 ~~correct~~ in a manner as prescribed by the department. ~~Proof~~

1 Evidence of insurance in effect on the verification date, as
2 prescribed by the department, may be considered by the
3 department to be a satisfactory response to the request for
4 information.

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

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

24 "(h) No random sample selected under this section
25 shall be categorized on the basis of race, color, religion,
26 sex, national origin, ancestry, age, marital status, physical
27 or mental disability, economic status, or geography.

1 "§32-7A-8.

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

16 Section 2. Sections 32-7A-9, 32-7A-10, 32-7A-11,
17 32-7A-12, 32-7A-13, 32-7A-14, 32-7A-15, 32-7A-16, 32-7A-17,
18 32-7A-18, 32-7A-19, 32-7A-20, 32-7A-21, and 32-7A-22, Code of
19 Alabama 1975, are repealed and reenacted to read as follows:

20 §32-7A-9.

21 An insurer shall allow access through an online
22 insurance verification system to verify insurance status in
23 accordance with Section 32-7A-7.

24 §32-7A-10.

25 (a) If any insurance company shall fail to
26 consistently allow access through an online insurance
27 verification system to verify coverage of motor vehicle

1 liability insurance coverage, the department shall notify the
2 Insurance Commissioner of any and all violations by an insurer
3 of Sections 32-7A-9 and 32-7B-5.

4 (b) The department shall prescribe the form and
5 manner of transmission for the purposes of notifying the
6 Insurance Commissioner under subsection (a).

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

13 §32-7A-11.

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

24 (1) The registrant responds within the required time
25 frame and the response establishes that the registrant has not
26 had a lapse in liability insurance coverage. The department

1 shall then indicate in its records that the insured is in
2 compliance with this chapter.

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

15 (b) If the registrant subsequently provides, in a
16 manner as prescribed by the department, proof of subsequent
17 liability insurance coverage for the vehicle during the
18 current registration period then the registration shall be
19 reinstated.

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

23 §32-7A-12.

24 (a) The department shall suspend the vehicle
25 registration of any motor vehicle determined to be in
26 violation of Section 32-7A-4, including any motor vehicle
27 operated in violation of Section 32-7A-16 by an operator other

1 than the owner of the vehicle. Neither the fact that,
2 subsequent to the date of verification or violation, the
3 registrant acquired the required liability insurance policy
4 nor the fact that the registrant terminated ownership of the
5 motor vehicle shall have any bearing upon the required
6 suspension.

7 (b) The registration of any motor vehicle registered
8 in this state shall be suspended upon the department receiving
9 notice of the conviction of the operator of the motor vehicle
10 in another state of an offense which, if committed in this
11 state, would constitute a violation of Section 32-7A-4. Until
12 it is terminated, any suspension under this chapter shall
13 remain in force even if the registration is renewed or a new
14 registration is acquired for the motor vehicle contrary to
15 Section 32-7A-13.

16 (c) In the case of a first violation, the department
17 shall terminate the suspension upon payment by the registrant
18 of a reinstatement fee of two hundred dollars (\$200) in
19 certified funds and submission of evidence of insurance as
20 prescribed by the department to the vehicle registrant's
21 license plate issuing official.

22 (d) In the case of a second or subsequent violation
23 by a registrant having ownership interest of a motor vehicle
24 or vehicles, or a violation of subdivision (3) of subsection
25 (b) of Section 32-7A-16, the department shall terminate the
26 suspension upon payment by the registrant of a reinstatement
27 fee of five hundred dollars (\$500) in certified funds and

1 submission of evidence of insurance as prescribed by the
2 department to the vehicle registrant's license plate issuing
3 official. Upon conviction of a second or subsequent offense,
4 the violator shall be guilty of a Class C misdemeanor.

5 (e) A license plate may not be transferred from a
6 vehicle for which the registration is suspended, pursuant to
7 this chapter, to another vehicle until after such time that
8 the vehicle registration is reinstated pursuant to this
9 chapter. Furthermore, no new tag or registration shall be
10 issued for the registrant's newly acquired vehicle if the
11 registrant has sold a vehicle subsequent to the insurance
12 verification date for which the motor vehicle registration has
13 been suspended pursuant to this chapter until such time after
14 the appropriate reinstatement fee and evidence of insurance as
15 prescribed by the department is submitted to the vehicle
16 registrant's license plate issuing official.

17 (f) The registrant's license plate issuing official
18 shall be responsible for notifying and forwarding any required
19 documentation concerning the reinstatement of motor vehicle
20 registration or registrations to the department in the manner
21 prescribed by the department.

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

26 (h) The total proceeds of the fees collected under
27 this section, less the distributions provided for in

1 subsection (j), shall be deposited in the State Treasury;
2 provided that after the distribution in subsection (j), and
3 payment to the department for the expenses incurred in the
4 administration of this chapter, the remaining balance of the
5 deposited fees shall be distributed to the State General Fund.

6 (i) The official shall remit the fee to the
7 department, except for 10 percent of the fee, which shall be
8 retained by the official and distributed 50 percent to the
9 license plate issuing official and 50 percent to the county
10 general fund. The fee retained by the license plate issuing
11 official shall be deposited into a special fund designated as
12 the "Special Licensing Officials' Fund." Moneys in the special
13 fund shall be expended for the improvement of the equipment
14 and operations in the office of the licensing official charged
15 with motor vehicle registration and titling responsibilities
16 and shall be in addition to the amount budgeted for the office
17 of the official. Fees deposited into the special fund shall be
18 dispersed at the sole discretion of the license plate issuing
19 official and shall be audited by the Examiners of Public
20 Accounts. Such moneys in the special fund shall not accumulate
21 in excess of ten thousand dollars (\$10,000) during any fiscal
22 year. Any excess moneys shall accrue to the county general
23 fund. License plate issuing officials shall remit the balance
24 of the funds to the department in the manner prescribed by the
25 department by the 20th day of the month following the month of
26 collection.

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

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

10 §32-7A-13.

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

17 §32-7A-14.

18 A person who, whether present or absent, aids,
19 abets, induces, procures, or causes the commission of an act
20 which, if done directly by him or her, would be a felony or a
21 misdemeanor under a provision of this chapter, is guilty of
22 the same felony or misdemeanor.

23 §32-7A-15.

24 A person is guilty of a Class C felony who, with
25 fraudulent intent:

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

1 (2) Makes, sells, or otherwise makes available an
2 invalid or counterfeit insurance card, or other evidence of
3 insurance.

4 §32-7A-16.

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

6 (1) Operates a motor vehicle without a liability
7 insurance policy, a commercial automobile liability insurance
8 policy, a motor vehicle liability insurance bond, or deposit
9 of cash in accordance with this chapter.

10 (2) With notice of cancellation, recision,
11 abrogation, or termination of insurance, registers, or
12 attempts to register a motor vehicle.

13 (b) A person shall be guilty of a traffic violation
14 who:

15 (1) Operates a motor vehicle and upon demand of a
16 law enforcement officer, fails or refuses to present
17 satisfactory evidence of insurance unless a law enforcement
18 officer verifies motor vehicle liability insurance coverage
19 through the online insurance verification system.

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

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

26 (c) A motor vehicle may be impounded at the
27 discretion of a law enforcement officer if the operator fails

1 to provide evidence of registration and insurance as required
2 by Title 32 or Title 40. Evidence of registration and
3 insurance may be verified through the online insurance
4 verification system and other electronic means as necessary.

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

14 §32-7A-17.

15 (a) License plate issuing officials shall not
16 register or re-register a motor vehicle or transfer the
17 license plates if the registration is suspended pursuant to
18 Section 32-7A-12.

19 (b) Notwithstanding the provisions of subsection
20 (a), upon the request of the registrant, the license plate
21 issuing official shall reinstate a registrant's suspended
22 registration at such time the registrant meets the provisions
23 of reinstatement provided for by this chapter.

24 (c) No vehicle registration or renewal thereof shall
25 be issued to any motor vehicle unless the license plate
26 issuing official receives satisfactory evidence of insurance
27 or verification of motor vehicle liability insurance through

1 the online insurance verification system, liability insurance
2 bond, or deposit of cash that provides the minimum motor
3 vehicle insurance coverage required by Section 32-7-6 or is
4 exempted under Section 32-7A-5. Verification by the license
5 plate issuing official shall be made in a manner as prescribed
6 by the department.

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

21 §32-7A-18.

22 No verification procedure established under this
23 chapter shall include individual inspections of vehicles on
24 the public streets or highways solely for the purpose of
25 verifying the existence of a valid insurance policy. No law
26 enforcement officer shall stop a vehicle solely for the

1 purpose of verifying the existence of a valid insurance
2 policy.

3 §32-7A-19.

4 No state or local governmental unit and no
5 government official or employee acting in the course of his or
6 her official duties in the administration or enforcement of
7 Section 32-7A-4 and related provisions of this chapter shall
8 be liable for any damages brought directly or indirectly by
9 the injured party or a third party, except for damages
10 resulting from willful and wanton misconduct or gross
11 negligence on the part of the governmental unit, official, or
12 employee.

13 §32-7A-20.

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

19 §32-7A-21.

20 The following penalties are applicable to violations
21 of this chapter:

22 (1) FELONIES. A person convicted of a felony for the
23 violation of a provision of this chapter is guilty of a Class
24 C felony and is subject to punishment as defined by the
25 Criminal Code of Alabama.

26 (2) MISDEMEANORS. A person convicted of a
27 misdemeanor for the violation of a provision of this chapter

1 is guilty of a Class C misdemeanor and is subject to
2 punishment as defined by the Criminal Code of Alabama.

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

8 §32-7A-22.

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

21 Section 3. Sections 32-7A-23, 32-7A-24, and 32-7A-25
22 are added to the Code of Alabama 1975, to read as follows:

23 §32-7A-23.

24 No person charged with violating the requirements of
25 this chapter to maintain or present, or both, evidence of
26 insurance shall be convicted of a Class C misdemeanor in
27 accordance with subsection (a) of Section 32-7A-16 if such

1 person produces in court satisfactory evidence that, at the
2 time of the citation, the motor vehicle was covered by a
3 liability insurance policy, commercial automobile liability
4 insurance policy, liability insurance bond, or deposit of cash
5 in accordance with Section 32-7A-4. However, such person may
6 be convicted of a traffic violation as set forth in subsection
7 (b) of Section 32-7A-16.

8 §32-7A-24.

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

17 §32-7A-25.

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

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

27 §32-7B-1.

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

3 §32-7B-2. Definitions.

4 For the purposes of this article, 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.

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 the following:

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.

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.

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 of

1 a motor vehicle via the Internet, or similar electronic system
2 consistent with insurance industry and IICMVA recommendations
3 and the specifications and standards of the IICMVA model dated
4 May 8, 2008, or later models as recommended by the advisory
5 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 (5) Utilize open and agreed to data and data
14 transmission standards and standard schema as specified by the
15 advisory council.

16 §32-7B-5. Responsibilities of Insurers.

17 Each insurer shall do the following:

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

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

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

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

1 (5) Be immune from civil and administrative
2 liability for good faith efforts to comply with the terms of
3 this act.

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

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

13 §32-7B-6. Responsibilities of the Department.

14 The department shall do the following:

15 (1) Cooperate with insurers in implementing and
16 operating the online insurance verification system.

17 (2) Maintain the list of authorized requesting
18 entities and individuals and make that a part of the online
19 insurance verification system.

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

22 (4) Establish and maintain the online insurance
23 verification system framework necessary to inquire of insurers
24 using the key or keys in accordance with subsection (c) of
25 Section 32-7B-4.

26 (5) Provide data security for the type of
27 information transferred as prescribed by the advisory council.

1 Data secured via the online insurance verification system may
2 not be shared with any party other than those permitted by
3 state or federal privacy laws.

4 (6) Be responsible for keeping the advisory council
5 informed on implementation status, functionality, and planned
6 or unplanned service interruptions.

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

10 (8) Work with the advisory council on issues as they
11 emerge for an equitable resolution for all parties.

12 (9) Maintain historical records of online insurance
13 verification system data for a period as specified by the
14 department.

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

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

24 Section 5. Enforcement and investigative activities
25 as they relate to the provisions of this act shall not be
26 based on an individual's race, color, religion, sex, national

1 origin, ancestry, age, marital status, physical or mental
2 disability, economic status, or geography.

3 Section 6. All laws or parts of laws which conflict
4 with this act are repealed.

5 Section 7. Section 1 of this act shall become
6 effective immediately following its passage and approval by
7 the Governor, or its otherwise becoming law. Sections 2 to 5
8 of this act shall become effective January 1, 2013, following
9 its passage and approval by the Governor, or its otherwise
10 becoming law.