

SB47 INTRODUCED



1 SB47
2 DM1CNT-1
3 By Senator Shelnuttt
4 RFD: Banking and Insurance
5 First Read: 06-Feb-24



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SYNOPSIS:

Under existing law, the Commissioner of Insurance is authorized to approve an assigned risk plan for the equitable distribution of the costs incurred in providing motor vehicle insurance to those unable to obtain insurance through ordinary methods.

This bill would establish the Alabama Automobile Insurance Plan and provide for the Commissioner of Insurance to approve the plan.

This bill would provide that the plan shall be administered by a governing committee comprised of members approved by the commissioner. The governing committee may authorize certain service providers to issue motor vehicle liability policies to certain applicants in the name of the plan.

This bill would also provide that any assigned risk policy issued under the plan adopted by the commissioner shall not create any liability to the Department of Insurance, or any of its officers or employees, or the state.

A BILL
TO BE ENTITLED
AN ACT



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29
30 Relating to motor vehicle insurance; to amend Section
31 32-7-35, Code of Alabama 1975, to establish the Alabama
32 Automobile Insurance Plan; to provide for the Commissioner of
33 Insurance Department to approve the Alabama Automobile
34 Insurance Plan to equitably apportion the cost of certain high
35 risk motor vehicle liability policies; to authorize the
36 issuance of these policies in the name of the plan; and to
37 provide that no policy issued in the name of the plan shall
38 create liability to the department, or any of its officers or
39 employees, or the state.

40 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

41 Section 1. Section 32-7-35, Code of Alabama 1975, is
42 amended to read as follows:

43 "§32-7-35

44 (a) After consultation with insurance companies
45 authorized to issue ~~automobile~~motor vehicle liability policies
46 in this state, the Commissioner of Insurance shall approve a
47 reasonable plan, to be known as the Alabama Automobile
48 Insurance Plan, ~~or plans~~ for the equitable apportionment of
49 costs among ~~such~~insurance companies ~~ef~~for motor vehicle
50 liability policy applicants ~~for such policies and~~ for motor
51 vehicle liability policies who ~~are in good faith entitled to~~
52 ~~but~~ are unable to procure such policies through ordinary
53 methods. The Alabama Automobile Insurance Plan shall be
54 administered in accordance with the plan by a governing
55 committee, consisting of members approved by the commissioner.
56 ~~When any such plan has been approved,~~ Once the commissioner



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57 approves the plan, all ~~such~~ insurance companies authorized to
58 issue motor vehicle liability policies in this state shall
59 subscribe ~~thereto and participate therein~~ to the plan.

60 (b) The governing committee may authorize one or more
61 service providers to issue motor vehicle liability policies in
62 the name of the Alabama Automobile Insurance Plan and provide
63 policyholder and claims services. Any policy issued pursuant
64 to this section shall be recognized as if issued by an
65 insurance company authorized to issue insurance in this state.
66 Such a policy shall also be considered as proof of financial
67 responsibility or insurance pursuant to Chapter 7 and Chapter
68 7A of Title 32, or any other applicable requirement of state
69 law.

70 (c) Any applicant for ~~any such policy,~~ or any person
71 insured ~~under any such plan~~ by a policy provided under the
72 Alabama Automobile Insurance Plan, and any insurance company
73 affected by the administration of the plan may appeal to the
74 ~~Commissioner of Insurance~~ commissioner from any ruling or
75 decision of the governing committee ~~manager or committee~~
76 ~~designated to operate such plan.~~ Any person aggrieved
77 hereunder by any order or act of the Commissioner of Insurance
78 ~~may,~~ within 10 days after notice thereof, may file a petition
79 in the Circuit Court of Montgomery County, Alabama, for a
80 review thereof. The court shall summarily hear the petition
81 and may enter any appropriate order or judgment.

82 (d) This section shall not revoke any exception granted
83 to the automobile assigned risk plan under any other provision
84 of this code.



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85 (e) Annually, the governing committee shall file an
86 audited financial report with the commissioner.

87 (f) The commissioner may establish regulations required
88 to implement the purposes of this section."

89 Section 2. This act shall become effective on October
90 1, 2024.