

# HB148 INTRODUCED



1 HB148  
2 KXJFAUA-1  
3 By Representatives Pettus, Faulkner, Kirkland  
4 RFD: Public Safety and Homeland Security  
5 First Read: 04-Feb-25



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SYNOPSIS:

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

This bill would provide that the insurance requirements of the state of registration apply for any motor vehicle registered in another state.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to mandatory automobile liability insurance; to amend Sections 32-7A-4, 32-7A-5, and 32-7A-6, Code of Alabama 1975, to provide that the insurance requirements of the state of registration for a motor vehicle apply for vehicles registered in another state.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§32-7A-4

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



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29 vehicle designed to be used on a public highway unless the  
30 motor vehicle is covered by a liability insurance policy, a  
31 commercial automobile liability insurance policy, motor  
32 vehicle liability bond, or deposit of cash.

33 (b) (1) For motor vehicles registered in this state, all  
34 of the following shall apply:

35 a. The liability insurance policy or commercial  
36 automobile liability insurance policy shall be issued in  
37 amounts no less than the minimum amounts set for bodily injury  
38 or death and for destruction of property under Section  
39 32-7-6(c).

40 ~~(2)~~ b. The motor vehicle liability bond shall be in the  
41 amount of not less than the minimum amounts of liability  
42 coverage for bodily injury or death and for destruction of  
43 property under ~~subsection (c) of~~ Section 32-7-6 (c). The bond  
44 shall be conditioned on the payment of the amount of any  
45 judgment rendered against the principal in the bond or any  
46 person responsible for the operation of the principal's motor  
47 vehicle with his or her express or implied consent, arising  
48 from injury, death, or damage sustained through the use,  
49 operation, maintenance, or control of the motor vehicle within  
50 the State of Alabama.

51 ~~(3)~~ c. The deposit of cash with the State Treasurer  
52 shall be in the amount of not less than the minimum amounts  
53 set for bodily injury or death and for destruction of property  
54 under ~~subsection (c) of~~ Section 32-7-6 (c).

55 (2) For motor vehicles registered in another state, the  
56 liability insurance policy, commercial automobile liability



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57 insurance policy, motor vehicle liability bond, or deposit of  
58 cash shall conform to the requirements of the laws of the  
59 state of registration.

60 (c) Only an insurer authorized to do business in this  
61 state shall issue a policy pursuant to this section for any  
62 vehicle subject to registration under Chapter 12 of Title 40.  
63 Nothing ~~herein~~ in this section shall deprive an insurer of any  
64 policy defense available at common law.

65 (d) Notwithstanding ~~the provisions in~~ subsection (c),  
66 any insurance policies issued by non-admitted insurance  
67 companies procured through Alabama licensed surplus lines  
68 insurance brokers, pursuant to ~~the provisions of~~ Section  
69 27-10-20 for the amounts prescribed under ~~subsection (c) of~~  
70 Section 32-7-6 (c), shall be deemed to be in compliance with  
71 this chapter ~~provided if~~ the brokers are licensed with the  
72 Department of Insurance and the brokers transfer all required  
73 insurance information in the manner and frequency as  
74 prescribed by the department."

75 "§32-7A-5

76 (a) This chapter shall not apply to any of the  
77 following vehicles or operators:

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

81 (2) Motor vehicles owned and operated by the United  
82 States or any agency thereof, the State of Alabama, or any  
83 political or governmental subdivision thereof.

84 (3) Any motor vehicle that is subject to the



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85 supervision and regulation of the Federal Motor Carrier Safety  
86 Administration or the Alabama Public Service Commission and  
87 for which the owner or operator has filed evidence of  
88 financial responsibility, the liability under which is not  
89 less than that required of the operator of a motor vehicle  
90 under the terms of this chapter.

91 (4) Motor vehicles covered by a certificate of  
92 self-insurance issued by the director under Section 32-7-34.

93 (5) Other motor vehicles complying with laws that  
94 require the vehicles to be insured in amounts meeting or  
95 exceeding the minimum amounts required under Section  
96 32-7-6(c).

97 (6) Implements of husbandry as defined in Section  
98 32-8-2.

99 (7) Any vehicle moved solely by animal power.

100 (8) Special mobile equipment, as defined in Section  
101 32-8-2.

102 (9) Inoperable or stored motor vehicles; provided,  
103 however, that this does not relieve or nullify any affirmative  
104 duty to maintain insurance coverage pursuant to a security  
105 agreement.

106 (10) Motor vehicles owned by a licensed motor vehicle  
107 dealer, wholesaler, or rebuilder and held in inventory that  
108 are covered by a blanket liability insurance policy or  
109 commercial automobile liability insurance policy.

110 ~~(11) Vehicles properly registered in another~~  
111 ~~jurisdiction and not legally required to be registered~~  
112 ~~pursuant to Chapter 12 of Title 40.~~



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113           ~~(12)~~ (11) Vehicles owned by a bank, a subsidiary or  
114 affiliate of a bank, or finance company, acquired as an  
115 incident to their regular business, that are covered by a  
116 blanket liability insurance policy or commercial automobile  
117 liability insurance policy.

118           ~~(13)~~ (12) Vehicles as prescribed by the commissioner  
119 that are covered by a blanket liability insurance policy or  
120 commercial automobile liability insurance policy.

121           (b) An individual on active duty with the United States  
122 Armed Forces whose motor vehicle is registered in this state  
123 but who, as a result of his or her military duty or assignment  
124 is required to reside in another state during the registration  
125 period as defined under Section 32-6-61, may satisfy the  
126 requirements of this chapter by purchasing liability coverage  
127 in the state where residing on active military duty or  
128 assignment equal to or greater than the minimum amount  
129 required by Section 32-7A-4 and providing proof of coverage.  
130 An individual's purchase of liability coverage under this  
131 subsection shall not invalidate his or her license or  
132 registration in this state pursuant to Chapter 6."

133           "§32-7A-6

134           (a) Every operator of a motor vehicle subject to the  
135 provisions of Section 32-7A-4 shall carry within the vehicle  
136 evidence of insurance. The evidence shall be legible and  
137 sufficient to demonstrate that the motor vehicle currently is  
138 covered by an Alabama liability insurance policy or an Alabama  
139 commercial automobile liability insurance policy as required  
140 under Section 32-7A-4, or, if the motor vehicle is registered



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141 in another state, evidence of insurance which conforms to the  
142 requirements of the laws of the state in which the vehicle is  
143 registered. The evidence~~and~~ may include, but is not limited  
144 to, the following:

145 (1) An insurance card, or temporary insurance card,  
146 provided by the insurer or an authorized representative under  
147 this section.

148 (2) The combination of proof of purchase of the motor  
149 vehicle within the previous 20 calendar days and a current and  
150 valid insurance card issued for the motor vehicle replaced by  
151 such purchase.

152 (3) The current declarations page of an Alabama  
153 liability insurance policy.

154 (4) An Alabama liability insurance binder, or legible  
155 copy thereof, Alabama certificate of liability insurance, or  
156 legible copy thereof; provided such document contains all  
157 information required in this chapter.

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

162 (b) The insurer issuing the Alabama liability insurance  
163 policy or the Alabama commercial automobile liability  
164 insurance policy shall provide an Alabama insurance card for  
165 each motor vehicle insured that shall contain the following  
166 information:

167 (1) The vehicle year model.

168 (2) The vehicle make.



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169 (3) The vehicle identification number (VIN).

170 (4) The name of the insured(s).

171 (5) The name of the insurance company.

172 (6) The Alabama policy number, not required on  
173 temporary insurance card.

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

176 (8) Insurance company's NAIC number.

177 (c) Notwithstanding the foregoing, if the insurance  
178 card is issued for a commercial automobile liability insurance  
179 policy, the card may state "FLEET," "COMMERCIAL," "COMMERCIAL  
180 POLICY," or "COMMERCIAL EXEMPT" in lieu of vehicle years,  
181 makes, and ~~VIN's~~VINS if vehicle years, makes, and ~~VIN's~~VINS  
182 are not captured by the insurer. If the vehicle years, makes,  
183 and ~~VIN's~~VINS are captured by the insurer, then the insurer  
184 may provide such information on the insurance card, but must  
185 state "FLEET," "COMMERCIAL," "COMMERCIAL POLICY," or  
186 "COMMERCIAL EXEMPT" on the insurance card. If the insurance  
187 card is issued for a nonowner policy, the card may state  
188 "NONOWNER POLICY" in lieu of the vehicle year, make, and VIN.

189 (d) All required information shall appear on the front  
190 of the card. The insurance card may include other information  
191 at the discretion of the insurer. Insurance companies may  
192 allow authorized representatives to issue temporary insurance  
193 cards to satisfy the requirements of this chapter. Temporary  
194 insurance cards are not required to have the policy number but  
195 shall contain all other required information.

196 (e) No insurer shall issue a card, similar in





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197 appearance, form, and content to the insurance card required  
198 under this section, in connection with an Alabama insurance  
199 policy that does not provide the liability insurance coverage  
200 required under Section 32-7A-4.

201 (f) Insurance binders, certificates of liability  
202 insurance, and other evidence of insurance as required under  
203 this section, must meet the following requirements (except  
204 where noted):

205 (1) Insurance company name.

206 (2) Alabama Policy number - not required on a binder or  
207 temporary insurance card.

208 (3) Effective date.

209 (4) Expiration date.

210 (5) Name of insured(s).

211 (6) Vehicle year model - not required if issued for a  
212 commercial automobile liability insurance policy or for a  
213 nonowner policy.

214 (7) Vehicle make - not required if issued for a  
215 commercial automobile liability insurance policy or for a  
216 nonowner policy.

217 (8) Vehicle identification number - not required if  
218 issued for a commercial automobile liability insurance policy  
219 or for a nonowner policy.

220 (9) Signature of authorized representative.

221 (g) The combination proof of purchase of a motor  
222 vehicle, as provided in subsection (a) ~~above~~, shall consist of  
223 a legible copy of the legal bill of sale if the motor vehicle  
224 is not subject to the provisions of the Alabama Uniform



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225 Certificate of Title and Antitheft Act, or the owner's copy of  
226 the application for certificate of title for a motor vehicle  
227 subject to the provisions of the Alabama Uniform Certificate  
228 of Title and Antitheft Act, or an Alabama certificate of title  
229 issued in the name of the vehicle owner or operator.

230 (h) The evidence of insurance shall be presented upon  
231 request made by any law enforcement officer wearing a uniform  
232 or presenting a badge, or both, or other sign of authority.  
233 Any person who fails or refuses to comply with such request is  
234 in violation of Section 32-7A-16 unless evidence of motor  
235 vehicle liability insurance or other evidence of financial  
236 responsibility as provided in this chapter is verified through  
237 the online insurance verification system. Any person who  
238 presents evidence of insurance, knowing there is no valid  
239 liability insurance in effect on the motor vehicle as required  
240 under Section 32-7A-4 or knowing the evidence of insurance is  
241 illegally altered, counterfeit, or otherwise invalid, is in  
242 violation of Section 32-7A-16.

243 (i) The evidence of insurance may be provided in either  
244 a tangible format or in an electronic format. Acceptable  
245 electronic formats include the display of electronic images on  
246 a cellular phone or other electronic device.

247 (j) The use of a cellular phone or other electronic  
248 device to display evidence of insurance does not constitute  
249 consent for law enforcement or other governmental employees to  
250 access any other content on the electronic device. Any law  
251 enforcement officer or other governmental employee presented  
252 with an electronic device pursuant to this section shall be



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253 subject to the provisions of Section 36-1-12 for damages to  
254 the electronic device resulting from acts taken when viewing  
255 the device pursuant to this section."

256 Section 2. This act shall become effective on October  
257 1, 2025.