

# ACT No. 2011 - 688

1 SB137  
2 132805-3  
3 By Senator Orr  
4 RFD: Judiciary  
5 First Read: 01-MAR-11



1 SB137

2

3

4 ENROLLED, An Act,

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

To amend Sections 32-7-19, 32-7-20, 32-7-22,  
32-7-24, 32-7A-2, 32-7A-3, 32-7A-4, 32-7A-5, 32-7A-6, 32-7A-7,  
and 32-7A-8, Code of Alabama 1975, relating to the  
verification of a motor vehicle liability policy as evidence  
of financial responsibility through the online insurance  
verification system on motor vehicles insured under personal  
insurance coverage and to establish an online insurance  
verification system on motor vehicles insured under personal  
insurance coverage; to repeal Sections 32-7A-9 to 32-7A-22,  
Code of Alabama 1975; to add Sections 32-7A-9 to 32-7A-25 to  
the Code of Alabama 1975; relating to mandatory motor vehicle  
liability insurance or other methods of financial  
responsibility allowed by law, to require the verification of  
motor vehicle liability insurance or other methods of  
financial responsibility allowed by law prior to motor vehicle  
registration and re-registration, and to allow the Department  
of Revenue and law enforcement to electronically verify motor  
vehicle liability insurance or other methods of financial  
responsibility allowed by law with an online insurance  
verification system; and to add Sections 32-7B-1, 32-7B-2,  
32-7B-3, 32-7B-4, 32-7B-5, and 32-7B-6 to the Code of Alabama

1 1975, relating to the establishment of an online insurance  
2 verification system on motor vehicles insured under personal  
3 insurance coverage.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

7 "§32-7-19.

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

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

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

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

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

24 "(b) Proof of financial responsibility relating to a  
25 motor vehicle liability policy when required under this

1 chapter with respect to a motor vehicle or with respect to a  
2 person who is not the owner of a motor vehicle may be verified  
3 through the online insurance verification system of Chapter 7B  
4 of Title 32 and Chapter 7A of Title 32.

5 "(c) No motor vehicle shall be or continue to be  
6 registered in the name of any person required to file proof of  
7 financial responsibility unless such proof shall be furnished  
8 for such motor vehicle.

9 "§32-7-20.

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

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

1           "(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 motor vehicle is so  
4 designated in such a certificate.

5           "§32-7-22.

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

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

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

17           "(2) Shall insure the person named in the policy and  
18 any other person, as insured, using any motor vehicle or motor  
19 vehicles designated in the policy with the express or implied  
20 permission of the named insured, against loss from the  
21 liability imposed by law for damages arising out of the  
22 ownership, maintenance, or use of such motor vehicle or motor  
23 vehicles within the United States of America or the Dominion  
24 of Canada, subject to limits exclusive of interest and costs,  
25 with respect to each such motor vehicle, in the amount of not

1 less than the minimum amounts set for bodily injury or death  
2 and for destruction of property under subsection (c) of  
3 Section 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

1 liability for damage to property owned by, rented to, in  
2 charge of or transported by the insured.

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

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

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

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

24 "(4) The policy, the written application for the  
25 policy, if any, and any rider or endorsement which does not

1 conflict with this chapter shall constitute the entire  
2 contract between the parties.

3 "(g) Any policy which grants the coverage required  
4 for a motor vehicle liability policy may also grant any lawful  
5 coverage in excess of or in addition to the coverage specified  
6 for a motor vehicle liability policy, and the excess or  
7 additional coverage shall not be subject to this chapter. With  
8 respect to a policy which grants any excess or additional  
9 coverage, the term "motor vehicle liability policy" shall  
10 apply only to that part of the coverage which is required by  
11 this section.

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

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

19 "(j) The requirements for a motor vehicle liability  
20 policy may be fulfilled by the policies of one or more  
21 insurance carriers which policies together meet the  
22 requirements for a policy.

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



1           "§32-7-24.

2           "(a) When an insurance carrier has certified a motor  
3 vehicle liability policy under Section 32-7-20 or a policy  
4 under Section 32-7-21, the insurance so certified shall not be  
5 cancelled or terminated until at least 10 days after a notice  
6 of cancellation or termination of the insurance so certified  
7 shall be filed in the office of the director; except, that  
8 such a policy subsequently procured and certified shall, on  
9 the effective date of its certification, terminate the  
10 insurance previously certified with respect to any motor  
11 vehicle designated in both certificates.

12           "(b) When the director has verified evidence of a  
13 motor vehicle liability policy using the online insurance  
14 verification system under subsection (b) of Section 32-7-20,  
15 the director shall continue to verify evidence of a motor  
16 vehicle liability policy using the online insurance  
17 verification system under subsection (b) of Section 32-7-20  
18 for the applicable period.

19           Section 2. Sections 32-7A-2 to 32-7A-8, Code of  
20 Alabama 1975, are amended to read as follows:

21           "§32-7A-2.

22           "For the purposes of this chapter, the following  
23 terms shall have the following meanings respectively ascribed  
24 to them in this section, except in those instances where the  
25 context clearly indicates a different meaning:

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

7           "(2) COMMERCIAL AUTOMOBILE LIABILITY INSURANCE  
8 POLICY. An insurance policy that:

9           "a. Is written on either a commercial coverage or  
10 other commercially rated personal policy form, including, but  
11 not limited to, a commercial auto, garage, or truckers form,  
12 and is not dependent on the type, number, or ownership of  
13 vehicle or entity covered or insured.

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

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

18           "(4) DEALER. Any person dealing in, buying, selling,  
19 exchanging, advertising, or negotiating the sale of motor  
20 vehicles and licensed under the provisions of Section  
21 40-12-391.

22           "(5) DECLARATIONS PAGE. That part of an insurance  
23 policy showing the name of the insured, insuring company, the  
24 vehicle make, the year model, the vehicle identification  
25 number (VIN), the policy number, the amount of coverage or

1 coverages, and the effective and expiration dates of the  
2 policy.

3 "(6) DEPARTMENT. The Department of Revenue.

4 "(7) DEPOSIT OF CASH. Funds deposited with and held  
5 by the State Treasurer as security for payment by the  
6 depositor, or by any person responsible for the depositor's  
7 motor vehicle with his or her express or implied consent, of  
8 all judgments rendered against the depositor or other  
9 authorized operator of the depositor's motor vehicle arising  
10 from injury, death, or damage sustained through use,  
11 operation, maintenance, or control of the motor vehicle within  
12 the State of Alabama.

13 "(8) DIRECTOR. The Director of Public Safety of the  
14 State of Alabama, or his or her designee.

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

21 "(10) INSURANCE COMMISSIONER. The Commissioner of  
22 the Department of Insurance, or his or her designee.

23 "(11) LIABILITY INSURANCE POLICY. An owner's or an  
24 operator's personal automobile liability insurance policy,

1 issued by an insurance carrier duly authorized to transact  
2 business in this state.

3 "(12) MOTOR VEHICLE. Every self-propelled vehicle  
4 that is designed to be operated on the streets and highways of  
5 Alabama, but not operated upon rails.

6 "(13) MOTOR VEHICLE LIABILITY BOND. A bond of a  
7 surety company duly authorized to transact business in this  
8 state, which is conditioned for payments in amounts and under  
9 the same circumstances as would be required in a motor vehicle  
10 liability insurance policy.

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

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

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

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

23 "(18) OPERATOR. Every person who is in actual  
24 physical control of a motor vehicle.

25 "(19) OWNER. Any of the following persons:

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

3            "b. The mortgagor, debtor, conditional vendee, or  
4 lessee of a vehicle that is the subject of a chattel mortgage,  
5 lien, agreement for the conditional sale thereof, lease or  
6 other like agreement with the right of purchase upon  
7 performance of the conditions stated in the agreement and with  
8 the immediate right of possession vested in the mortgagor,  
9 debtor, conditional vendee, or lessee, in which event the  
10 mortgagor, debtor, conditional vendee, or lessee shall be  
11 deemed the owner for purposes of this chapter.

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

14           "(20) PERSON. Every natural person, firm,  
15 partnership, association, estate, trust, corporation, limited  
16 liability partnership, limited liability company, or other  
17 entity.

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

20           "(22) REGISTRATION. Certificate or certificates and  
21 license plates issued under the laws of this state pertaining  
22 to the registration of motor vehicles.

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

1           "(24) STATE. Any state, territory or possession of  
2 the United States, the District of Columbia, any province or  
3 territory of the Dominion of Canada, or a state of the  
4 Republic of Mexico.

5           "(25) SUSPENSION. The withdrawal by formal action of  
6 the department of a vehicle's registration as specified by  
7 this chapter.

8           "The terms "liability insurance policy," "deposit of  
9 cash," and a "motor vehicle liability bond" are used  
10 interchangeably throughout this chapter.

11           "§32-7A-3.

12           "(a) The department shall administer and enforce the  
13 provisions of this chapter and shall make such reasonable  
14 rules and regulations concerning any matter administered in  
15 this chapter and shall provide for hearings upon the request  
16 of persons aggrieved by orders or acts of the department under  
17 the provisions of this chapter.

18           "(b) The department may prescribe and provide  
19 suitable notices and forms necessary to carry out the  
20 provisions of this chapter.

21           "(c) The department :

22           "(1) May make necessary investigations to procure  
23 information required to carry out the provisions of this  
24 chapter.

1           "(2) Shall suspend the motor vehicle registrations  
2 pursuant to the provisions of this chapter.

3           "(3) Shall require insurance companies doing  
4 business in this state to regularly report the vehicle  
5 identification numbers covered by their mandatory liability  
6 insurance policies in a manner specified by the department.

7           "(4) May operate a pilot program to study the extent  
8 of the uninsured motorist problem in this state, to make  
9 operational changes that it sees necessary in order to reduce  
10 the number of uninsured motorists, and to manage the  
11 registration selection, suspension, and reinstatement  
12 processes in the most productive manner possible. Funding for  
13 the pilot program, including performance-based or fixed fees,  
14 or both, shall be derived from registration reinstatement  
15 fees.

16           "(5) May enter into a personal services contract  
17 with a consulting firm having personnel with extensive  
18 operational and management experience in the development,  
19 deployment, and operation of insurance verification programs.  
20 This firm shall assist in operating a pilot program by  
21 analyzing and using available data to share  
22 nationally-recognized best practices for operating insurance  
23 verification programs, to study existing and planned practices  
24 and implement recommendations for improvement, and to have

1 responsibility for reducing uninsured motorist rates in this  
2 state.

3 "(d) At any time within 30 calendar days after the  
4 rendition of any suspension, or decision under the provisions  
5 of this chapter, any person may appeal to the administrative  
6 law judge pursuant to Section 40-2A-8. After exhausting his or  
7 her appeal rights provided under Section 40-2A-8, and, upon  
8 providing evidence of payment of the reinstatement fee  
9 provided in this chapter, the person may appeal to the circuit  
10 court. The appeals to the administrative law judge or circuit  
11 court shall be as provided in Section 40-2A-9.

12 "§32-7A-4.

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

20 "(b) (1) The liability insurance policy or commercial  
21 automobile liability insurance policy shall be issued in  
22 amounts no less than the minimum amounts set for bodily injury  
23 or death and for destruction of property under Section  
24 32-7-6(c).



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

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

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

21           "(d) Notwithstanding the provisions in subsection  
22 (c), any insurance policies issued by non-admitted insurance  
23 companies procured through Alabama licensed surplus lines  
24 insurance brokers, pursuant to the provisions of Section  
25 27-10-20 for the amounts prescribed under subsection (c) of

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

6 "§32-7A-5.

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

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

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

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

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

1           "(5) Other motor vehicles complying with laws which  
2 require the vehicles to be insured in amounts meeting or  
3 exceeding the minimum amounts required under Section  
4 32-7-6(c).

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

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

8           "(8) Special mobile equipment, as defined in Section  
9 32-8-2(20).

10           "(9) Inoperable or stored motor vehicles that are  
11 not operated, as defined by rules and regulations of the  
12 department and not subject to the provisions of Section  
13 32-7A-7.

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

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

22           "(12) Vehicles owned by a bank, a subsidiary or  
23 affiliate of a bank, or finance company, acquired as an  
24 incident to their regular business, that are covered by a

1 blanket liability insurance policy or commercial automobile  
2 liability insurance policy.

3 "(13) Vehicles as prescribed by the commissioner  
4 that are covered by a blanket liability insurance policy or  
5 commercial automobile liability insurance policy.

6 "§32-7A-6.

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

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

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

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

24 "(4) A liability insurance binder, or legible copy  
25 thereof, certificate of liability insurance, or legible copy

1       thereof; provided such document contains all information  
2       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 liability insurance  
8       policy or the commercial automobile liability insurance policy  
9       shall provide an insurance card for each motor vehicle insured  
10       that shall contain the following information:

11               "(1) The vehicle year model.

12               "(2) The vehicle make.

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

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

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

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

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

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

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

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

8 "(d) The minimum size of the insurance card shall be  
9 3" by 2 1/8". All required information shall be printed on the  
10 front of the card. The insurance card may include other  
11 information at the discretion of the insurer. Insurance  
12 companies may allow authorized representatives to issue  
13 temporary insurance cards to satisfy the requirements of this  
14 chapter. Temporary insurance cards are not required to have  
15 the policy number but shall contain all other required  
16 information.

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

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

1           "(1) Insurance company name.

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

4           "(3) Effective date.

5           "(4) Expiration date.

6           "(5) Name of insured(s).

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

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

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

16           "(9) Signature of authorized representative.

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

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

14           "§32-7A-7.

15           "(a) The department may review registrations of  
16 motor vehicles subject to Section 32-7A-4, or owners thereof,  
17 for the purpose of verifying whether or not the motor vehicles  
18 are insured through an online insurance verification system.  
19 If the department cannot verify the insurance status of a  
20 vehicle using the online insurance verification system or  
21 other such method for deposits of cash or motor vehicle  
22 insurance liability bonds, the department may send owners  
23 requests for information about their motor vehicles and  
24 liability insurance in accordance with subsections (d) and  
25 (e).



1           "(b) In addition to such review of motor vehicle  
2 registrations in subsection (a), the department may select and  
3 review for verification other sources of information  
4 including, but not limited to, registrations of motor vehicles  
5 owned by persons:

6           "(1) Whose motor vehicle registrations have been  
7 suspended pursuant to Section 32-7A-12 or any other provision  
8 of this chapter.

9           "(2) Who have been convicted of violating Section  
10 32-7A-16 while operating vehicles owned by other persons.

11           "(3) Whose driving privileges have been suspended or  
12 revoked.

13           "(4) Who have received a disposition of supervision  
14 by the courts of this state for a violation of the provisions  
15 of this chapter.

16           "(c) The director shall provide to the department,  
17 in a manner designated by the department, the name of an owner  
18 or operator of any motor vehicle involved in an accident  
19 without liability insurance who is determined not to be  
20 subject to the suspension by the director pursuant to the  
21 provisions of Section 32-7-6. The director shall also provide  
22 to the department, in a manner designated by the department,  
23 the name of an owner or operator of any motor vehicle that has  
24 been found in violation of Section 32-7A-16.

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

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

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

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

17           "(3) The effective date of the policy and the  
18 expiration date of the policy.

19           "(4) The owner's signature.

20           "(5) The policy number.

21           "(e) Within 30 calendar days after the department  
22 mails a request, the owner to whom it is sent shall furnish  
23 the requested information to the department in a manner as  
24 prescribed by the department. Evidence of insurance in effect  
25 on the verification date, as prescribed by the department, may

1 be considered by the department to be a satisfactory response  
2 to the request for information.

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

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

22 "(h) No review of registration selected under this  
23 section shall be categorized on the basis of race, color,  
24 religion, sex, national origin, ancestry, age, marital status,  
25 physical 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 30  
8 calendar days after the date of the mailing of the notice  
9 unless the owner furnishes evidence of insurance in effect on  
10 the verification date, as prescribed by the department. The  
11 notice shall be in writing and shall be mailed by the U.S.  
12 Postal Service, to the registrant's last known address as  
13 reflected on the department's motor vehicle registration  
14 records."

15           Section 3. Sections 32-7A-9, 32-7A-10, 32-7A-11,  
16 32-7A-12, 32-7A-13, 32-7A-14, 32-7A-15, 32-7A-16, 32-7A-17,  
17 32-7A-18, 32-7A-19, 32-7A-20, 32-7A-21, and 32-7A-22, Code of  
18 Alabama 1975, are repealed and reenacted to read as follows:

19           §32-7A-9.

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

23           §32-7A-10.

24           (a) If any insurance company shall fail to  
25 consistently allow access through an online insurance

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

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

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

14 §32-7A-11.

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

1           (1) The registrant responds within the required time  
2 frame and the response establishes that the registrant has not  
3 had a lapse in liability insurance coverage. The department  
4 shall then indicate in its records that the insured is in  
5 compliance with this chapter.

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

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

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

1 §32-7A-12.

2 (a) The department shall suspend the vehicle  
3 registration of any motor vehicle determined to be in  
4 violation of Section 32-7A-4, including any motor vehicle  
5 operated in violation of Section 32-7A-16 by an operator other  
6 than the owner of the vehicle. Neither the fact that,  
7 subsequent to the date of verification or violation, the owner  
8 acquired the required liability insurance policy nor the fact  
9 that the owner terminated ownership of the motor vehicle shall  
10 have any bearing upon the required suspension.

11 (b) The registration of any motor vehicle registered  
12 in this state shall be suspended upon the department receiving  
13 notice of the conviction of the operator of the motor vehicle  
14 in another state of an offense which, if committed in this  
15 state, would constitute a violation of Section 32-7A-4. Until  
16 it is terminated, any suspension under this chapter shall  
17 remain in force even if the registration is renewed or a new  
18 registration is acquired for the motor vehicle contrary to  
19 Section 32-7A-17.

20 (c) In the case of a first violation, the department  
21 shall terminate the suspension upon payment by the owner of a  
22 reinstatement fee of two hundred dollars (\$200) in a manner as  
23 prescribed by the department and submission of proof of  
24 current insurance as prescribed by the department to either  
25 the department, the vehicle owner's county license plate

1 issuing official, the circuit clerk of any county, or the  
2 Administrative Office of Courts. Upon a first violation, the  
3 owner's name and identifying information shall be provided to  
4 the director by the department, for the purpose of requiring  
5 the owner to purchase and maintain insurance pursuant to  
6 Section 32-7-13 or Section 32-7-31, or both, for a period of  
7 one year.

8 (d) In the case of a second or subsequent violation  
9 by a person having ownership interest in a motor vehicle or  
10 vehicles within the preceding four years, or a violation of  
11 Section 32-7A-16(b) (2), the department shall terminate the  
12 suspension four months after its effective date upon payment  
13 by the owner of a reinstatement fee of four hundred dollars  
14 (\$400) in a manner as prescribed by the department and  
15 submission of proof of current insurance as prescribed by the  
16 department to either the department or to the vehicle owner's  
17 county license plate issuing official, the circuit clerk of  
18 any county, or the Administrative Office of Courts. In the  
19 case of a second or subsequent violation, the owner's name and  
20 identifying information shall be provided to the director by  
21 the department, for the purpose of the director requiring the  
22 owner to purchase and maintain insurance pursuant to Section  
23 32-7-13 or Section 32-7-31, or both, for a period of three  
24 years. Upon conviction of a second offense the violator shall  
25 be guilty of a Class B misdemeanor.



1           (e) In accepting the reinstatement fee and proof of  
2 current insurance, the owner's county license plate issuing  
3 official, the circuit clerk of any county, or the  
4 Administrative Office of Courts shall be responsible for  
5 notifying and forwarding, not later than the next business  
6 day, any required documentation concerning the reinstatement  
7 of motor vehicle registration or registrations to the  
8 department in the manner prescribed by the department.

9           (f) Except as provided in subsections (g) and (i), a  
10 portion of the fees received under this section by the  
11 department shall be used by the department exclusively for the  
12 operation and management of the mandatory liability insurance  
13 law and this article. After the payment of the expenses, the  
14 remaining funds shall be deposited into the General Fund;  
15 provided, if the fees are collected by the owner's county  
16 license plate issuing official, the official shall remit the  
17 fee to the department, except for 10 percent of the fee, which  
18 shall be retained by the official and distributed 50 percent  
19 to the county license plate issuing official and 50 percent to  
20 the county general fund. The retained fees distributed to the  
21 county license plate issuing official shall be deposited into  
22 a special fund designated as the "Special Licensing Officials'  
23 Fund." The special fund shall be used for the improvement of  
24 the equipment and operations in the office of the licensing  
25 official charged with motor vehicle registration and titling

1 responsibilities and shall be in addition to the amount  
2 budgeted for the office of the official. Fees deposited into  
3 the special fund shall be disbursed at the sole discretion of  
4 the license plate issuing official and shall be audited by the  
5 Examiners of Public Accounts. Such moneys in the special fund  
6 shall not accumulate in excess of ten thousand dollars  
7 (\$10,000) during any fiscal year. Any excess moneys shall  
8 accrue to the county general fund. License plate issuing  
9 officials shall remit the balance of the funds to the  
10 department in the manner prescribed by the department by the  
11 10th day of the month following the month of collection.

12 (g) If the reinstatement fees are collected by the  
13 Administrative Office of Courts, it shall remit the fee to the  
14 department, except for 15 percent of the fee, which shall be  
15 retained in its entirety by the Administrative Office of  
16 Courts. If the reinstatement fees are collected by the circuit  
17 clerk, it shall remit the fee to the department, except for 15  
18 percent of the fee, which shall be retained by the circuit  
19 clerk and distributed evenly between the circuit clerk's  
20 office and the Administrative Office of Courts. Any portion of  
21 the reinstatement fee due to the Administrative Office of  
22 Courts shall be deposited into the Advanced Technology and  
23 Data Exchange Fund established pursuant to Section 12-19-290.  
24 Any portion of the reinstatement fee due to the circuit clerk

1 shall be deposited into the Clerk's Fund established pursuant  
2 to Section 12-17-225.4(2).

3 (h) Refunds of reinstatement fees, less the retained  
4 fees, shall be granted in cases of duplicate payment, or as  
5 approved by the department. Anyone who is denied a refund of  
6 the reinstatement fee may appeal the denial to the  
7 administrative law judge pursuant to Section 40-2A-7.

8 (i) Notwithstanding the provisions of subsection  
9 (f), 15 percent of the net proceeds received by the department  
10 shall be deposited by the department into the Alabama Peace  
11 Officers' Annuity and Benefit Fund, as authorized by Section  
12 36-21-66.

13 (j) It shall be unlawful for the vehicle owner's  
14 county license plate issuing official to fail to collect such  
15 reinstatement fees, when due. Additionally, the reinstatement  
16 fee shall not be waived by the court when the vehicle owner  
17 cannot produce evidence that a valid liability insurance  
18 policy was in effect on the date a citation was issued for  
19 violation of the provisions of this chapter.

20 (k) The terms "circuit clerk" and "circuit clerk's  
21 office" as used in any part of this act shall also include any  
22 district clerk or district clerk's office that functions  
23 separately from the office of the circuit clerk pursuant to  
24 Section 12-17-161, Code of Alabama 1975.

25 §32-7A-13.

1 All officials authorized by law to register motor  
2 vehicles, issue motor vehicle license plates, and to perform  
3 other duties in connection with the issuance of motor vehicle  
4 license plates shall refuse to register or re-register a motor  
5 vehicle or refuse to transfer the license plates if the  
6 registration is suspended pursuant to Section 32-7A-12.

7 §32-7A-14.

8 A person who, whether present or absent, aids,  
9 abets, induces, procures, or causes the commission of an act  
10 which, if done directly by him or her, would be a felony or a  
11 misdemeanor under a provision of this chapter, is guilty of  
12 the same felony or misdemeanor.

13 §32-7A-15.

14 A person is guilty of a Class C felony who, with  
15 fraudulent intent:

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

18 (2) Makes, sells, or otherwise makes available an  
19 invalid or counterfeit insurance card, or other evidence of  
20 insurance.

21 §32-7A-16.

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

23 (1) Operates a motor vehicle without a liability  
24 insurance policy, a commercial automobile liability insurance

1 policy, a motor vehicle liability insurance bond, or deposit  
2 of cash in accordance with this chapter.

3 (2) With notice of cancellation, rescission,  
4 abrogation, or termination of insurance, registers, or  
5 attempts to register a motor vehicle.

6 (b) A person shall be guilty of a traffic violation  
7 who:

8 (1) Operates a motor vehicle and upon demand of a  
9 law enforcement officer, fails or refuses to present  
10 satisfactory evidence of insurance unless a law enforcement  
11 officer verifies motor vehicle liability insurance coverage  
12 through the online insurance verification system.

13 (2) Operates a vehicle the registration of which is  
14 suspended or revoked pursuant to the provisions of this  
15 chapter.

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

19 (c) A motor vehicle may be impounded at the  
20 discretion of a law enforcement officer if the operator fails  
21 to provide evidence of registration and insurance as required  
22 by Title 32 or Title 40. Evidence of registration and  
23 insurance may be verified through the online insurance  
24 verification system and other electronic means as necessary.

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

10           §32-7A-17.

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

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

20           (c) No vehicle registration or renewal thereof shall  
21 be issued to any motor vehicle unless the license plate  
22 issuing official receives satisfactory evidence of insurance  
23 or verification of motor vehicle liability insurance through  
24 the online insurance verification system, liability insurance  
25 bond, or deposit of cash that provides the minimum motor

1 vehicle insurance coverage required by Section 32-7-6 or is  
2 exempted under Section 32-7A-5. Verification by the license  
3 plate issuing official shall be made in a manner as prescribed  
4 by the department.

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

19 §32-7A-18.

20 No verification procedure established under this  
21 chapter shall include individual inspections of vehicles on  
22 the public streets or highways solely for the purpose of  
23 verifying the existence of a valid liability insurance policy  
24 or a commercial automobile liability insurance policy. No law  
25 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.



1           (2) MISDEMEANORS. A person convicted of a  
2 misdemeanor for the violation of a provision of this chapter  
3 is guilty of a Class C misdemeanor and is subject to  
4 punishment as defined by the Criminal Code of Alabama.

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

10           §32-7A-22.

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

24           Section 4. Sections 32-7A-23, 32-7A-24, and 32-7A-25  
25 are added to the Code of Alabama 1975, to read as follows:

## 1 §32-7A-23.

2 No person charged with violating the requirements of  
3 this chapter to maintain or present, or both, evidence of  
4 insurance shall be convicted of a Class C misdemeanor in  
5 accordance with subsection (a) of Section 32-7A-16 if such  
6 person produces in court satisfactory evidence that, at the  
7 time of the citation, the motor vehicle was covered by a  
8 liability insurance policy, commercial automobile liability  
9 insurance policy, liability insurance bond, or deposit of cash  
10 in accordance with Section 32-7A-4. However, such person may  
11 be convicted of a traffic violation as set forth in subsection  
12 (b) of Section 32-7A-16.

## 13 §32-7A-24.

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

## 22 §32-7A-25.

23 This chapter is supplemental to other laws relative  
24 to motor vehicles and a liability insurance policy, commercial  
25 automobile liability insurance policy, liability insurance

1 bond, or deposit of cash, and insofar as possible shall be  
2 construed in pari materia with such laws.

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

6 §32-7B-1.

7 This chapter may be cited as the Alabama Online  
8 Insurance Verification System Act.

9 §32-7B-2. Definitions.

10 For the purposes of this article, the following  
11 terms shall have the following meanings respectively ascribed  
12 to them in this section, except in those instances where the  
13 context clearly indicates a different meaning:

14 (1) ADVISORY COUNCIL. A group of 13 voting members  
15 consisting of: Two representatives of the Department of  
16 Revenue, a representative of the Department of Public Safety,  
17 and a representative of the Department of Insurance as well as  
18 three insurance company representatives appointed by the  
19 Commissioner of Insurance, a representative of the American  
20 Insurance Association, a representative of the National  
21 Association of Mutual Insurance Companies, a representative of  
22 the Property and Casualty Insurers Association of America, a  
23 representative of the Alabama Independent Agents Association,  
24 a representative of the Alabama Probate Judges Association  
25 appointed by the president of the association, and a

1 representative of the Alabama Association of Tax  
2 Administrators appointed by the president of the association.  
3 This group shall be chaired by the Commissioner of Revenue or  
4 his or her designee.

5 (2) COMMERCIAL AUTOMOBILE LIABILITY INSURANCE  
6 POLICY. An insurance policy as defined in Section 32-7A-2.

7 (3) DEPARTMENT. The Department of Revenue.

8 (4) INSURER. An insurance company licensed or  
9 authorized to do business in this state and insuring motor  
10 vehicles.

11 (5) MOTOR VEHICLE. A motor vehicle as defined in  
12 Section 32-7A-2.

13 (6) ONLINE INSURANCE VERIFICATION SYSTEM. An online  
14 insurance verification system using web services as  
15 recommended by the Insurance Industry Committee for Motor  
16 Vehicle Administration (IICMVA), developed by the advisory  
17 council, and adopted by the department.

18 §32-7B-3. Establishment of the Online Insurance  
19 Verification System.

20 (a) The department shall convene an advisory council  
21 for the purpose of the following:

22 (1) Facilitating the implementation of the online  
23 insurance verification system.

24 (2) Assisting in the development of a detailed guide  
25 for insurers providing for the data fields and other

1 information necessary for compliance along with other  
2 necessary regulations.

3 (3) Coordinating and conducting a testing phase as  
4 prescribed by the advisory council.

5 (4) Identifying necessary changes during the testing  
6 phase, as prescribed by the advisory council.

7 (5) Issuing recommendations based on periodic  
8 reviews of the online insurance verification system by the  
9 advisory council. The advisory council shall issue a report to  
10 the Departments of Revenue, Public Safety, and Insurance 12  
11 months after the online insurance verification system is  
12 implemented to evaluate the system's effectiveness in  
13 identifying uninsured motorists, and annually thereafter on or  
14 before January 1 of each year. The advisory council may also  
15 issue recommendations for system enhancements in such report.

16 (b) The department shall:

17 (1) Cooperate with insurers in implementing the  
18 online insurance verification system.

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

21 (3) Establish the online insurance verification  
22 system framework necessary to inquire of insurers by using  
23 multiple keys for greater matching accuracy, including, but  
24 not limited to: Insurer NAIC number, vehicle identification

1 numbers, policy number and other key or keys specified by the  
2 advisory council.

3 (4) Be responsible for keeping the advisory council  
4 informed on implementation status.

5 (c) Each insurer shall cooperate with the department  
6 in establishing the online insurance verification system.

7 Section 6. Chapter 7B of Title 32 consisting of  
8 Sections 32-7B-4, 32-7B-5, and 32-7B-6 are added to the Code  
9 of Alabama 1975, to read as follows:

10 §32-7B-4. Functions of the Online Insurance  
11 Verification System.

12 The online insurance verification system shall:

13 (1) Be accessible by authorized personnel of the  
14 department for direct inquiry. Access by the courts, insurers,  
15 law enforcement, and offices of the licensing officials  
16 charged with motor vehicle registration and titling  
17 responsibilities shall be through authorized personnel of the  
18 department. Insurer access shall be limited to data or  
19 information transmission as required to operate the online  
20 insurance verification system.

21 (2) Be able to verify, on a 24-hour, seven days per  
22 week basis, minus permitted down time for system maintenance  
23 as prescribed by the advisory council, the insurance status of  
24 a motor vehicle via the Internet, or similar electronic system  
25 consistent with insurance industry and IICMVA recommendations

1 and the specifications and standards of the IICMVA model dated  
2 May 8, 2008, or later models as recommended by the advisory  
3 council and adopted by the department.

4 (3) Be able to access insurers by using multiple  
5 keys for greater matching accuracy, including, but not limited  
6 to: Insurer NAIC number, vehicle identification numbers,  
7 policy number and other key or keys specified by the advisory  
8 council.

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

11 (5) Utilize open and agreed to data and data  
12 transmission standards and standard schema as specified by the  
13 advisory council.

14 §32-7B-5. Responsibilities of Insurers.

15 Each insurer shall do the following:

16 (1) Cooperate with the department in operating the  
17 online insurance verification system.

18 (2) Maintain the data necessary to verify insurance  
19 status through the online insurance verification system for a  
20 period of at least six months.

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

1           (4) Provide data security for the type of  
2 information transferred as prescribed by the advisory council  
3 that will not violate state or federal privacy laws.

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

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

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

16           §32-7B-6. Responsibilities of the Department.

17           The department shall do the following:

18           (1) Cooperate with insurers in operating the online  
19 insurance verification system.

20           (2) Maintain the list of authorized requesting  
21 entities and individuals and make that a part of the online  
22 insurance verification system.

23           (3) Maintain the online insurance verification  
24 system framework necessary to inquire of insurers using the



1 key or keys in accordance with subsection (3) of Section 32-7B-4.

2 (4) Provide data security for the type of  
3 information transferred as prescribed by the advisory council.  
4 Data secured via the online insurance verification system may  
5 not be shared with any party other than those permitted by  
6 state or federal privacy laws.

7 (5) Be responsible for keeping the advisory council  
8 informed on functionality, and planned or unplanned service  
9 interruptions.

10 (6) Provide alternative methods of reporting for  
11 small insurers writing no more than 500 vehicles in the state  
12 as prescribed by the department.

13 (7) Work with the advisory council on issues as they  
14 emerge for an equitable resolution for all parties.

15 (8) Maintain historical records of online insurance  
16 verification system data for a period as specified by the  
17 department.

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

23 (10) Nothing in this section prohibits the  
24 department from using the services of a third party vendor for

1 facilitating the insurance verification program required by  
2 this law.

3 Section 7. Enforcement and investigative activities  
4 as they relate to the provisions of this act shall not be  
5 based on an individual's race, color, religion, sex, national  
6 origin, ancestry, age, marital status, physical or mental  
7 disability, economic status, or geography.

8 Section 8. All laws or parts of laws which conflict  
9 with this act are repealed.

10 Section 9. Sections 2, 5, and 7 of this act shall  
11 become effective immediately following its passage and  
12 approval by the Governor, or its otherwise becoming law.  
13 Sections 1, 3, 4, and 6 of this act shall become effective  
14 January 1, 2013, following its passage and approval by the  
15 Governor, or its otherwise becoming law, except that portion  
16 of Section 3 containing the reenacted Section 32-7A-12 of the  
17 Code of Alabama 1975, shall become effective immediately  
18 following this act's passage and approval by the Governor, or  
19 its otherwise becoming law.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

*Kay Ivey*

President and Presiding Officer of the Senate



Speaker of the House of Representatives

SB137

Senate 09-MAR-11

I hereby certify that the within Act originated in and passed the Senate, as amended.

Senate 09-JUN-11

I hereby certify that the within Act originated in and passed the Senate, as amended by Conference Committee Report.

Patrick Harris  
Secretary

House of Representatives  
Passed: 02-JUN-11, as amended

House of Representatives  
Passed: 09-JUN-2011, as amended by Conference Committee Report.

By: Senator Orr

APPROVED *June 14, 2011*

TIME *2:20 P.M.*

*Robert Bentley*  
GOVERNOR

Alabama Secretary Of State

Act Num....: 2011-688  
Bill Num...: S-137