

LEGISLATIVE RESEARCH SERVICES

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(907) 465-3991
research@akleg.gov

SR-22 Automobile Insurance Requirements

Chuck Burnham, Manager

You asked about SR-22 insurance policies, known more explicitly as “certificates of financial responsibility” or “proof of financial responsibility,” (POFR) and similar terms, among the states. Your questions and our responses are below.¹

What is the legislative history / intent of SR-22?

In Alaska, the requirement that drivers convicted of certain motor vehicle offenses acquire and maintain proof of financial responsibility (POFR) has been codified since statehood. The requirement was put in place with § 25 Ch 163 SLA 1959. That law required POFR, now commonly known as SR-22, for drivers that were in an accident that resulted in injury or death or caused property damage in excess of \$200. (The current threshold damage value is \$501.) Section 2 of the legislation provides a “declaration of purpose” as follows:

The legislature is concerned over the rising toll of motor vehicle accidents and the suffering and loss thereby inflicted. The legislature determines that it is a matter of grave concern that motorists shall be financially responsible for their negligent acts, so that innocent victims of motor vehicle accidents may be recompensed for the injury and financial loss inflicted upon them. The legislature finds and declares that the public interest can best be served by the requirements herein that the operator of a motor vehicle involved in an accident shall respond for such damages and show proof of financial ability to respond for damages in future accidents as a prerequisite to his exercise of the privilege of operating a motor vehicle within the State of Alaska.

Alaska Statute 28.20.230, which provides the broad requirement for SR-22 for certain offenses, has been amended on seven occasions, most recently and, arguably, most significantly in 2002. Legislation enacted that year (Ch 60 SLA 2002) included an omnibus overhaul of the state’s driving under the influence (DUI) laws that, among many other changes, added AS 28.20.230(c), which increased the requirement for first offenders to maintain SR-22 for five years rather than the three-year requirement for most other offenses. The DUI requirement doubles in length for each subsequent offense—i.e., a

¹ Copies of all statutes and legislation mentioned in this document are attached.

second offense requires SR-22 for ten years and a third offense comes with a 20-year mandate—until a fourth conviction, after which the offender must carry SR-22 for as long as the person is licensed to drive.

How does SR-22 interlace with the state’s mandatory insurance requirement?

A POFR is a document provided for a fee by a private insurer to the state as proof that an individual who has certain driving infractions holds the minimum automotive liability insurance required by law.² It is not, therefore, an insurance policy, per se, but is rather a certification that a policyholder is maintaining minimum liability coverage. Should that individual’s insurance policy lapse, expire, or be cancelled, the insurer is required to notify the state.³

Alaska Statute 28.20.440 delineates specific requirements for both policyholders and insurers related to a POFR. The amounts of liability coverage therein match those required for all drivers in AS 28.22.101. The law on SR-22 insurance includes additional details, particularly regarding elements required within the policy, responsibilities of the insurer and policyholder, and the relationship between insurers and other parties, among other technical details.

How does Alaska’s SR-22 laws compare to those in other states?

Requirements for SR-22 among the states are remarkably similar, in most cases. There exists some variation in the types of offenses for which a POFR is required. Some states’ laws, like those in Alaska, isolate the requirement to those drivers at fault for accidents in which there is an injury or substantial property damage, and for DUI. Some other states require SR-22 for offenses such as reckless driving, multiple moving violations, and similar traffic offenses that are considered particularly dangerous or when repeated violations make a given driver appear to pose a significant risk.

Our review shows that the most common period for which offenders must maintain SR-22 is three years for a first offense. That figure varies in certain states. For instance, Texas law requires POFR to be filed for two years. Several states require SR-22 for increased lengths of time, depending on the type of offense and where the perceived degree of danger posed by the violation is escalated, much like Alaska does for DUI.

² A POFR is typically required to be obtained before a revoked driver’s license is reinstated.

³ This notification comes through submission to the state of an SR-26 form, which is filed within ten days of when the policyholder either lapses on, cancels, or violates the SR-22 requirements, or has successfully completed the period prescribed by law to maintain the POFR. According to Kelly Hanke, Legislative Liaison for the Alaska Department of Administration, of which the Division of Motor Vehicles is a part, some states waive the SR-22 requirement when a driver licensed elsewhere moves to that state and obtains a license there. Ms. Hanke indicates that Alaska law does not currently provide for such a waiver. Ms. Hanke can be reached at (907) 465-2200 or kelly.hanke@alaska.gov.

A few states we reviewed allow drivers required to carry SR-22 to submit cash, a liability bond, or a surety bond in place of the POFR. For example, Illinois requires \$70,000 in such financial instruments, while the figure in Washington is \$60,000, in order to avoid SR-22. Although these are steep sums, in certain cases the amount of premium increases could nearly match these figures, cumulatively, over the course of the period during which the POFR is required. This is because one of the primary impacts to the policyholder of the requirement for SR-22 is a dramatic increase in premiums, which, depending on the insurer and the specific offense, can more than double that of a driver with a “clean” record.

We hope this is helpful. If you have questions or need additional information, please let us know.

Attachment A

Relevant sections of the following session laws:

Ch 163 SLA 1959

Ch 146 SLA 1966

Ch 69 SLA 1970

Ch 202 SLA 1975

Ch 144 SLA 1977

Ch 70 SLA 1984

Ch 108 SLA 1989

Ch 60 SLA 2002

marks and brands on the hides, which shall at all times be open for inspection of stock growers, their agents and employees.

3. **Branded Hides: Provisions: Penalty.** Any person, who violates the provisions of Sec. 23 of this Act or willfully neglect or refuse to act therein required, shall be guilty of a misdemeanor, and upon conviction shall be punished by imprisonment in the jail for a period not exceeding (3) months or pay a fine not exceeding one hundred (\$100.00) dollars.

4. **Brands: "S" on Left Jaw: Violation.** There is hereby registered in the office of the Director of the Division of Agriculture a cattle brand consisting of an "S" on the left jaw. This brand shall not be assigned to any person or corporation in the state of Alaska and it shall be unlawful for any person, firm, or corporation to use this brand except as provided in Sec. 25 of this Act.

5. **Brands: Spayed Heifers:**

Branding. It shall be the duty of every person when spaying heifers, upon request of the owner thereof, to brand such heifers with an "S" on the left jaw, and to furnish the owner with a certificate that all heifers so branded have been properly spayed.

Sec. 26. **Brands: Spayed Heifers: Provisions: Violation: Penalty.** Any person who violates any of the provisions of Sec. 25 or Sec. 26 of this Act shall be guilty of a misdemeanor, and shall upon conviction be fined in any sum not less than ten (\$10.00) dollars nor more than one hundred (\$100.00) dollars.

Sec. 27. **Branded Livestock: Inspection by Director of Division of Agriculture.** The Director of the Division of Agriculture, or any agent duly authorized by him, may at any time make inspections of branded livestock in order to ascertain and enforce compliance with the provisions of this Act.

Sec. 28. **Repealer.** Sec. 33-3-61 through and including Sec. 33-3-67, ACLA 1949 are hereby repealed.

Approved May 1, 1959

CHAPTER 162

AN ACT

relating to the oath of office of state officers and employees; repealing Sec. 33-3-61 through and including Sec. 33-3-67, ACLA 1949 as amended by Ch. 113, SLA 1949; and providing for an effective date.

(S.B. 115)

Enacted by the Legislature of the State of Alaska:

1. All public officers and employees of the State of Alaska, before assuming the duties of their offices, shall swear and subscribe to the following affirmation:

I solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of Alaska, and that I

will faithfully discharge my duties as _____ to the best of my ability."

Sec. 2. Sec. 11-1-8, ACLA 1949 as amended by Ch. 113, SLA 1949 is hereby repealed.

Sec. 3. This Act shall take effect immediately upon its passage and approval or upon its becoming law without such approval.

Approved May 2, 1959

CHAPTER 163

AN ACT

To eliminate the irresponsible driver from the highways of the State; to provide for the giving of security and proof of financial responsibility by owners and operators of motor vehicles; and providing for an effective date.

(C.S.H.B. 117)

Be it enacted by the Legislature of the State of Alaska:

Section 1. **Short Title.** This Act shall be known and may be cited as the "Motor Vehicle Safety Responsibility Act".

Sec. 2. **Declaration of Purpose.** The legislature is concerned over the rising toll of motor vehicle accidents and the suffering and loss thereby inflicted. The legislature determines that it is a matter of grave concern that motorists shall be financially responsible for their negligent acts, so that innocent victims of motor vehicle accidents may be recompensed for the injury and financial loss inflicted upon them. The legislature finds and declares that the public interest can best be served by the requirements herein that the operator of a motor vehicle involved in an accident shall respond for such damages and show proof of financial ability to respond for damages in future accidents as a prerequisite to his exercise of the privilege of operating a motor vehicle within the State of Alaska.

Sec. 3. **Definitions.** The following words and phrases when used in this Act shall, for the purpose of this Act, have the meanings respectively ascribed to them in this section, except when the context otherwise requires.

(1) "Department"—the Department of Public Safety of Alaska.

(2) "Driver" — every person who drives or is in actual physical control of a vehicle.

(3) "Judgment" — any judgment which shall have become final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal, rendered by a court of competent jurisdiction of any state or of the United States, upon a cause of action arising out of the ownership, maintenance,

or use of any vehicle of a type subject to registration under the laws of this state, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, or upon a cause of action on an agreement of settlement for such damages.

(4) "License to operate a motor vehicle" — any operator's or chauffeur's license or any other license or permit to operate a motor vehicle issued under the laws of this state including:

(a) Any temporary license or instruction permit.

(b) The privilege of any person to drive a motor vehicle whether or not such person holds a valid license.

(c) Any non-resident's operating privilege as defined herein.

(5) "Motor vehicle"—every vehicle which is self-propelled and every vehicle which is propelled by electric power obtained from overhead trolley wires, but not operated upon rails.

(6) "Non-resident" — every person who is not a resident of this state.

(7) "Non-resident's operating privilege" — the privilege conferred upon a non-resident by the laws of this state pertaining to the operation by such person of a motor vehicle, or the use of a vehicle owned by such person, in this state.

(8) "Operator" — every person, other than a chauffeur, who drives or is in actual physical control of a motor vehicle upon a highway or who is exercising control over or steering a vehicle being towed by a motor vehicle.

(9) "Owner"—a person, other than a lien-holder, having the property in or title to a vehicle. The term includes a

any other provision of this Act authorizing such return.

Sec. 24. Matters Not to Be Evidence in Civil Suits. The report required following an accident, the action taken by the department pursuant to this Act, the findings, if any, of the department upon which such action is based, and the security filed as provided in this Act, shall not be referred to in any way, and shall not be any evidence of the negligence or due care of either party, at the trial of any action at law to recover damages.

Sec. 25. Proof of Financial Responsibility for the Future. The provisions of this Act requiring the deposit of proof of financial responsibility for the future, subject to certain exceptions, shall apply with respect to persons who are convicted of or forfeit bail for certain offenses under motor vehicle laws or who, by ownership or operation of a vehicle of a type subject to registration under the motor vehicle laws of this state, are involved in an accident within this state, which accident results in bodily injury or death of any person or damage to the property of any one person in excess of two hundred (\$200.00) dollars.

The term "proof of financial responsibility for the future" as used in this Act shall mean: Proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of said proof, arising out of the ownership, maintenance or use of a vehicle of a type subject to registration under the laws of this state, in the amount of ten thousand (\$10,000.00) dollars because of bodily injury to or death of one person in any one accident, and, subject to said limit for one person, in the amount of twenty thousand (\$20,000.00) dollars because of bodily injury to or death of two or more persons in any one accident, and in the amount of five thousand (\$5,000.00) dollars because of injury to or destruction of property of others in any one accident. Wherever used in this Act the terms "proof of financial responsibility" or "proof" shall be synonymous with the term "proof of financial responsibility for the future".

Sec. 26. Proof Required Upon Certain

Convictions. Whenever, under any law of this state, the license of any person is suspended or revoked by reason of a conviction or a forfeiture of bail, the department shall not issue to such person any new or renewal of license in the name of such person until permitted to do so under the motor vehicle laws of this state, and need not do so then unless and until such person shall give and thereafter maintain proof of financial responsibility for the future.

Sec. 27. Action in Respect to Unlicensed Person. If a person has no license, but by final order or judgment is convicted of or forfeits any bail or collateral deposited to secure an appearance for trial for any offense requiring the suspension or revocation of license, or for driving a motor vehicle upon the highways without being licensed to do so, or for driving an unregistered vehicle upon the highways, no license shall be thereafter issued to such person unless he shall give and thereafter maintain proof of financial responsibility for the future.

Whenever the department suspends or revokes a non-resident operating privilege by reason of a conviction or forfeiture of bail, such privilege shall remain so suspended or revoked unless such person shall have previously given or shall immediately give and thereafter maintain proof of financial responsibility for the future.

Sec. 28. When Proof Required After Accidents. Upon receipt by the superintendent of the report of any accident which has resulted in bodily injury or death, or property damage to the extent of two hundred (\$200.00) dollars or more, the superintendent shall suspend the license of the operator of any motor vehicle involved in said accident unless such operator or owner:

(1) Shall have previously furnished or immediately furnishes sufficient security as required by this Act, or is excepted from furnishing security under Sec. 8 of this Act, and:

(2) Thereafter maintains proof of financial responsibility for three years next following the accident.

The provisions of this section shall not apply to any owner or operator with re-



LAWS OF ALASKA

1966

Source:

CSHB 463 am by Senate

Chapter No.:

146

AN ACT

Relating to the provisions of all motor vehicle liability policies of insurance issued in Alaska; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 28.20.070(a) is amended to read:

(a) No policy or bond is effective under sec. 60 of this chapter unless it is issued by an insurance company or surety company authorized to do business in this state, except as provided in (b) of this section, and if the accident resulted in bodily injury or death, unless the policy or bond is subject to a limit, exclusive of interest and costs, of not less than \$15,000 because of bodily injury to or death of one person in any one accident and, subject to the same limit for one person, to a limit of not less than \$30,000 because of bodily injury to or death of two or more persons in any one accident, and if the accident has resulted in injury to, or destruction of, property to a limit of not less than \$5,000 because of injury to or destruction of property of others in any one accident.

* Sec. 2. AS 28.20.440(b) is amended to read:

(b) The owner's policy of liability insurance shall

(1) designate by description or appropriate reference all vehicles which it covers;

(2) insure the person named and every other person using the vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of the vehicle within the United States of America or the Dominion of Canada, subject to limits exclusive of interests and costs, with respect to each vehicle, as follows: \$15,000 because of bodily injury to or death of one person in any one accident and, subject to the same limit for one person, \$30,000 because of bodily injury to or death of two or more persons in any one accident, and \$5,000 because of injury to or destruction of property of others in any one accident;

(3) contain coverage in the amounts set out in (2) of this subsection for the protection of the persons insured under the policy who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of bodily injury or death arising out of the ownership, maintenance or use of the uninsured motor vehicle, except that this coverage may be waived in writing by the insured on or before the effective date of the policy.

* Sec. 3. This Act takes effect January 1, 1967.



LAWS OF ALASKA

1970

Chapter No.

69

Source

HB 564

AN ACT

Revising the Alaska Statutes to reflect corrective amendments by the revisor of statutes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 03.35.010 is amended to read:

Sec. 03.35.010. CREATION AND RESTRICTION IN USE OF CONTROLLED LIVESTOCK DISTRICTS. A district judge may create and establish a controlled livestock district within a city or organized borough, or in other settled areas of the state, as provided in this chapter, to consist of one or more townships or portions thereof or of a contiguous area of not less than 1,280 acres. It is unlawful for any domestic animal to graze or run at large within a controlled livestock district unless the domestic animal is herded on open public domain and tended by a person and prevented from grazing upon private roads or highways and privately owned land.

* Sec. 2. AS 04.10.020 is amended by adding a new subsection to read:

(1) recreational site license.

* Sec. 3. AS 06.05.212(a) is amended to read:

(a) A director, officer, or employee of a state bank who knowingly, wilfully and persistently overdraws his account or who permits a customer to do so, is engaged in an unsound banking practice and subject to the provisions of sec. 5(4) of this chapter.

* Sec. 4. AS 07.20.070(d) is amended to read:

(d) When the assembly votes on an ordinance or

is composed of the president of the senate and four other senators appointed by him, and the speaker of the house of representatives and four other representatives appointed by him. The appointing authority in each house shall appoint at least one member from the area comprising election districts 1 - 5, one from the area comprising election districts 6 - 12, one from the area comprising election districts 13 - 16, and one from the area comprising election districts 17 - 19, as described in art. XIV, sec. 1, of the state constitution, with at least one member being from each of the two major political parties. The appointing authority of each house shall make and announce the appointment or reappointment of members of the council within 30 days after the convening of the first regular session of each legislature.

* Sec. 58. AS 28.10.520 is amended to read:

Sec. 28.10.520. DATE OF CONSTRUCTIVE NOTICE. If the documents referred to in secs. 470 - 530 of this chapter are received and filed in the central office of the department within 10 days after the date the documents are executed, the constructive notice dates from the time of the execution of the documents. Otherwise constructive notice dates from the time of receipt and filing of the documents by the department as shown by its endorsement on them.

* Sec. 59. AS 28.20.230(b) is amended to read:

(b) The term "proof of financial responsibility for the future" as used in this chapter means proof of ability to respond in damages for liability, on account of an accident occurring after the effective date of proof, which arises out of the ownership, maintenance or use of a vehicle subject to registration under the laws of this state, in the amount of \$15,000 because of bodily injury to or death of one person in any one accident, and, subject to the same limit for one person, in the amount of \$30,000 because of bodily injury to or death of two or more persons in any one accident, and in the amount of \$5,000 because of injury to or destruction of property of others in any one accident. As used in this chapter the terms "proof of financial responsibility" or "proof" mean proof of financial responsibility for the future.

* Sec. 60. AS 28.20.360(1) is amended to read:

(1) \$15,000 is credited upon a judgment given in excess of that amount because of bodily injury to or death of one person as the result of any one accident; or

* Sec. 61. AS 28.20.360(2) is amended to read:

(2) subject to the limit of \$15,000 because of bodily injury to or death of one person, the sum of \$30,000 is credited upon a judgment given in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident; or

* Sec. 62. AS 29.25.020 is amended to read:

Sec. 29.25.020. "INCORPORATED VILLAGE" DEFINED. "Incorporated village" means and is synonymous with the



LAWS OF ALASKA

1975

Source

SB 407

Chapter No.

202

AN ACT

Relating to the Motor Vehicle Safety Responsibility Act; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 28.20.070(a) is amended to read:

(a) No policy or bond is effective under sec. 60 of this chapter unless it is issued by an insurance company or surety company authorized to do business in this state, except as provided in (b) of this section, and if the accident resulted in bodily injury or death, unless the policy or bond is subject to a limit, exclusive of interest and costs, of not less than \$25,000 because of bodily injury to or death of one person in any one accident and, subject to the same limit for one person, to a limit of not less than \$50,000 because of bodily injury to or death of two or more persons in any one accident, and if the accident has resulted in injury to, or destruction of, property to a limit of not less than \$10,000 because of injury to or destruction of property of others in any one accident.

* Sec. 2. AS 28.20.230(b) is amended to read:

(b) The term "proof of financial responsibility for the future" as used in this chapter means proof of ability to respond in damages for liability, on account of an accident occurring after the effective date of proof, which arises out of the ownership, maintenance or use of a vehicle subject to registration under the laws of this state, in the amount of \$25,000 because of bodily injury to or death of one person in any one accident, and, subject to the same limit for one person, in the amount of \$50,000 because of bodily injury to or death of two or more persons in any one accident, and in the amount of \$10,000 because of injury to or destruction of property of others in any one accident.

Chapter 202

As used in this chapter the terms "proof of financial responsibility" or "proof" mean proof of financial responsibility for the future.

* Sec. 3. AS 28.20.360(a) is amended to read:

(a) For the purpose of this chapter, a judgment is satisfied when

(1) \$25,000 is credited upon a judgment given in excess of that amount because of bodily injury to or death of one person as the result of any one accident; or

(2) subject to the limit of \$25,000 because of bodily injury to or death of one person, the sum of \$50,000 is credited upon a judgment given in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident; or

(3) \$10,000 is credited upon a judgment given in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

* Sec. 4. AS 28.20.440(b)(2) is amended to read:

(2) insure the person named and every other person using the vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of the vehicle within the United States of America or the Dominion of Canada, subject to limits exclusive of interests and costs, with respect to each vehicle, as follows: \$25,000 because of bodily injury to or death of one person in any one accident and, subject to the same limit for one person, \$50,000 because of bodily injury to or death of two or more persons in any one accident, and \$10,000 because of injury to or destruction of property of others in any one accident;

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.070(c).



LAWS OF ALASKA

1977

Source

FCCS HCSSB 75

Chapter No.

144

AN ACT

Relating to motor vehicles.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 08.66.060(a) is amended to read:

(a) Every applicant for dealer registration or for renewal of dealer registration shall file with the application or request for renewal, and shall maintain in force while registered, a bond in favor of the state, executed by an authorized corporate surety approved by the commissioner of public safety, in the amount of \$10,000, except that a dealer who sells only motorcycles shall maintain in force while registered a bond in favor of the state, executed and approved in the same manner as bonds required of other dealers under this section, in the amount of \$3,000. Instead of a corporate surety bond the commissioner may, in his sole discretion, accept a bond in the same amount with at least two individual sureties, each justifying with real property in twice the amount of the bond. The commissioner shall make the investigation necessary to determine the actual financial responsibility of the individual sureties. The condition of the bond shall be that the applicant will conduct his business in accordance with secs. 10 - 90 of this chapter and will not commit fraud or make fraudulent representations in the course of business.

* Sec. 2. AS 11.20.590 is amended by adding a new subsection to read:

(f) The state has a right of action for damages caused by a violation of this section. Damages recovered under this section shall be deposited in the general fund.

* Sec. 3. AS 12.25.180 is amended to read:

Chapter 144

- * Sec. 12. AS 28.20.070(b) is amended to read:

(b) No policy or bond is effective under sec. 60 of this chapter with respect to a vehicle not registered in this state or a vehicle which was registered in another jurisdiction at the effective date of the policy or bond or the most recent renewal of it, unless the insurance or surety company issuing the policy or bond is authorized to do business in this state, or if the company is not authorized to do business in this state, unless it executes a power of attorney authorizing the director of the division of insurance to accept service on its behalf of notice or process in an action upon the policy or bond arising out of the accident.

- * Sec. 13. AS 28.20.100(c) is amended to read:

(c) If the department evaluates the injuries or damage to a minor in an amount not more than \$500, the department may accept, for the purposes of this chapter only, evidence of a release from liability executed by a natural or legal guardian on behalf of the minor without court approval.

- * Sec. 14. AS 28.20.230(a) is amended to read:

(a) The provisions of this chapter requiring the deposit of proof of financial responsibility for the future apply to persons who are convicted of or forfeit bail for certain offenses under motor vehicle laws or who, by ownership or operation of a vehicle of a type subject to registration under ch. 10 of this title, are involved in an accident in this state which results in bodily injury or death of a person or damage to the property of any one person exceeding \$500.

- * Sec. 15. AS 28.20.260(a) is amended to read:

(a) Upon receipt by the department of the report of an accident resulting in bodily injury or death, or property damage to any one person exceeding \$500, the department shall suspend the license of the driver of a motor vehicle involved in the accident unless the driver or owner

(1) has previously furnished or immediately furnishes security required by this chapter, or is excepted from furnishing security under sec. 60 of this chapter, and

(2) maintains proof of financial responsibility for three years following the accident.

- * Sec. 16. AS 28.20.580 is amended to read:

Sec. 28.20.580. ASSIGNED RISK PLANS. After consultation with the insurance companies authorized to issue motor vehicle liability policies in this state, the director of the division of insurance shall approve a reasonable plan, fair to the insurers and equitable to their policyholders, for the apportionment among these companies of applicants for motor vehicle policies and other vehicle coverages who are in good faith entitled to but are unable to procure policies through ordinary methods. When a plan is approved, all the insurance companies shall subscribe to

AN ACT

Relating to motor vehicles; and providing for an effective date.

Section 1. DECLARATION OF PURPOSE. The legislature is concerned over the rising toll of motor vehicle accidents and the suffering and loss inflicted by them. The legislature determines that it is a matter of grave concern that motorists be financially responsible for their negligent acts that innocent victims of motor vehicle accidents may be recompensed for injury and financial loss inflicted upon them. The legislature finds and declares that the public interest can best be served by the requirement that both the owner and operator of a motor vehicle that is to be operated on the vehicular ways of the state where the potential for motor vehicle accidents is substantial be required to maintain coverage under a motor vehicle liability policy issued in conformity with AS 28.22.010 or through a certificate of self-insurance issued under AS 28.20.400. The legislature also finds and declares that the most economical and practical time to require proof of compliance with insurance coverage is when an operator of a motor vehicle has been involved in an accident or charged with a traffic law violation.

* Sec. 2. AS 21.89.020(a) is amended to read:

(a) An automobile liability policy that [WHICH] insures an owner or operator of a motor vehicle against loss resulting from [HIS] liability for bodily injury or death, or for property injury or destruction, or both, that [WHICH] is sold in the [THIS] state [AFTER

Chapter 70

1 authorized to do business in this state, except as provided in
2 this section, and if the accident resulted in bodily injury or
3 unless the policy or bond is subject to a limit, exclusive of
4 and costs, of not less than \$50,000 [\$25,000] because of bodily
5 to or death of one person in any one accident and, subject to the
6 limit for one person, to a limit of not less than \$100,000 [\$50,000]
7 because of bodily injury to or death of two or more persons in an
8 accident, and if the accident has resulted in injury to, or destruction
9 of, property to a limit of not less than \$25,000 [\$10,000] because
10 of injury to or destruction of property of others in an
11 accident.

12 * Sec. 9. AS 28.20.230(b) is amended to read:

13 (b) The term "proof of financial responsibility for the future"
14 [AS USED] in this chapter means proof of ability to respond in damages
15 for liability, on account of an accident occurring after the effective
16 date of proof, that [WHICH] arises out of the ownership, maintenance
17 or use of a vehicle subject to registration under the laws of this
18 state, in the amount of \$50,000 [\$25,000] because of bodily injury
19 or death of one person in any one accident, and, subject to the
20 limit for one person, in the amount of \$100,000 [\$50,000] because of
21 bodily injury to or death of two or more persons in any one accident
22 and in the amount of \$25,000 [\$10,000] because of injury to or destruction
23 of property of others in any one accident. In [AS USED] in this
24 chapter the terms "proof of financial responsibility" or "proof of
25 financial responsibility for the future."

AS 28.20.360(a) is amended to read:

Chapter 70

excess of that amount because of bodily injury to or death of one person as the result of any one accident; or

(2) subject to the limit of \$50,000 [\$25,000] because of bodily injury to or death of one person, the sum of \$100,000 [\$50,000] is credited upon a judgment given in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident; or

(3) \$25,000 [\$10,000] is credited upon a judgment given in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

* Sec. 11. AS 28.20.440(b) is amended to read:

(b) The owner's policy of liability insurance shall

(1) designate by description or appropriate reference all vehicles which it covers;

(2) insure the person named and every other person using the vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of the vehicle within the United States [OF AMERICA] or [THE DOMINION OF] Canada, subject to limits exclusive of interests and costs, with respect to each vehicle, as follows: \$50,000 [\$25,000] because of bodily injury to or death of one person in any one accident, and, subject to the same limit for one person, \$100,000 [\$50,000] because of bodily injury to or death of two or more persons in any one accident, and \$25,000 [\$10,000] because of injury to or destruction of property of others in any one accident;

(3) contain coverage in not less than the amounts set out in (2) of this subsection for the protection of the persons insured under the policy who are legally entitled to recover damages from

Chapter 70

owners or operators of uninsured or underinsured motor vehicles cause of bodily injury or death, or damage to or destruction of property arising out of the ownership, maintenance or use of the uninsured or underinsured motor vehicle; this coverage shall comply the provisions of AS 28.20.445 [, EXCEPT THAT THIS COVERAGE MAY WAIVED IN WRITING BY THE INSURED ON OR BEFORE THE EFFECTIVE DATE OF THE POLICY].

* Sec. 12. AS 28.20 is amended by adding a new section to read:

Sec. 28.20.445. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE

(a) The maximum liability of the insurance carrier under the uninsured and underinsured motorists coverage required to be offered under AS 28.20.440 shall be the difference between the coverage limit liability and the amount paid to the insured by or on behalf of uninsured and underinsured motorist.

(b) Amounts payable under the uninsured motorists and underinsured motorists coverage may be reduced by

(1) amounts paid or to be paid under any worker's compensation law;

(2) amounts paid or payable under valid and collectible automobile medical payments insurance or bodily injury or death liability insurance; and

(3) amounts paid by or on behalf of the uninsured or underinsured motorist.

(c) If an insured is entitled to uninsured or underinsured motorists coverage under more than one policy of motor vehicle liability insurance, or under more than one coverage if two or more vehicles are insured under one policy, the maximum amount an insured may cover may not exceed the highest limit of any one policy or coverage. When multiple policies or coverages apply, payment may be made in

Chapter 108

CHAPTER: CH108

SOURCE: SCSCSHB44(FIN)AMS

Action Date: June 13, 1989

Year: 89

Effective Date: Secs. 11,14, and 17 effective 1/1/90; secs. 4,6,8,10,12,13,15,19,21,23,25, and 31 effective 1/1/94; remainder of Act effective 6/14/89

AN ACT

An Act relating to motor vehicle liability insurance and vehicle registration; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 28 is amended by adding a new chapter to read:

CHAPTER 22. MANDATORY MOTOR VEHICLE INSURANCE

ARTICLE 1. INSURANCE REQUIRED

Sec. 28.22.011. MOTOR VEHICLE LIABILITY INSURANCE REQUIRED: EXEMPTIONS. (a) The operator or owner of a motor vehicle subject to registration under AS 28.10.011 when driven on a highway, vehicular way or area, or on other public property in the state, shall be insured under a motor vehicle liability policy that complies with this chapter or a certificate of self-insurance that complies with AS 28.20.400 unless

(1) the motor vehicle is being driven or moved on a highway, vehicular way, or a public parking place in the state that is not connected by a land highway or vehicular way to

(A) the land-connected state highway system,

or

(B) a highway or vehicular way with an

average daily traffic volume greater than 499; and

(2) the operator has not been cited within the preceding five years for a traffic law violation with a demerit point value of six or more on the point schedule determined under regulations adopted by the department under AS 28.15.221; or

(3) the motor vehicle is registered under AS 28.10.181(k).

(b) The department shall annually publish a list of areas that meet the requirements of (a)(1) of this section. This list shall be available for public inspection at each office of the department.

(c) In this section, "operator" does not include

(1) an employee who operates, during the course and within the scope of employment, a motor vehicle that is owned or leased by the operator's employer; or

(2) an emergency service volunteer who operates, during the course and within the scope of responding to an emergency, a motor vehicle not owned by the volunteer.

Sec. 28.22.021. REQUIREMENT OF PROOF OF MOTOR VEHICLE LIABILITY INSURANCE. The owner or operator of a motor vehicle required to have motor vehicle liability insurance that complies with this chapter or a certificate of self-insurance that complies with AS 28.20.400, shall show proof of this insurance when that person is involved in an accident that results in bodily injury to or death of a person, or damage to the property of a person exceeding \$500.

Sec. 28.22.031. METHOD OF PROOF OF MOTOR VEHICLE LIABILITY INSURANCE. (a) A person involved in an accident who is required under AS 28.22.021 to prove that a motor vehicle liability policy or a certificate of self-insurance was in effect shall, within 15 days after the accident,

(1) present a copy of the insurance policy, certificate, bond, or insurance binder that was in effect at the time of the accident to the department for inspection;

(2) provide the department with written certification from an insurance company, insurance agent, insurance broker or surplus lines broker confirming that a valid motor vehicle liability policy issued in conformity with this chapter was in effect at the time of the accident; or

(3) advise the department in writing that a certificate of self-insurance was in effect at the time of the accident.

(b) The department shall develop and implement a program to check the veracity of the documents filed for proof under this section.

Sec. 28.22.041. ADMINISTRATIVE SUSPENSION OF DRIVERS' LICENSES. (a) Except as provided in (h) of this section, if a person fails to provide proof required under AS 28.22.021 and 28.22.031, the department shall suspend the driver's license of that person for the following periods:

(1) not less than 90 days if, within the preceding 10 years, the person has not had a driver's license suspended for violation of AS 28.22.011 or former AS 28.22.200;

(2) not less than one year if, within the preceding 10 years, the person has had a driver's license suspended one or more times for violation of AS 28.22.011 or former AS 28.22.200.

(b) The suspension shall be consecutive to any other suspension required by law or imposed by a court.

(c) The department may grant limited license privileges for work purposes only to a person whose license has been suspended under this section if

(1) the person has filed proof of financial responsibility for the future as required by AS 28.22.061;

(2) the person's license has not been suspended two or more times under this section or former AS 28.22.240 in the preceding 10 years;

(3) the department determines that the person's ability to earn a livelihood would be severely impaired if a limited license privilege is not granted; and

(4) the department determines that a limitation can be placed on the license that will enable the person to earn a livelihood without excessive danger to the public.

(d) When imposing a limitation under this section the department shall

(1) require the surrender of the driver's license; and

(2) issue to the licensee a certificate valid for the duration of the limitation.

(e) After the termination of a limitation as shown on the certificate issued under (d) of this section, the license of a person on whom a limitation was imposed is suspended until the person receives a new license under AS 28.15.211(c).

(f) The department shall notify the licensee that the suspension becomes effective 30 days from the date of the notice and that the licensee has the right, within the 30-day period, to make an oral or written answer controverting any point or issue, or to present evidence and arguments for the consideration of the department.

(g) Upon receipt of an oral or written answer from the licensee the department shall make findings on the matter under consideration within 15 days and shall notify the person involved of its decision in writing by certified or registered mail. If the department's decision is to sustain an action against the licensee's driver's license, the department shall notify the licensee of the opportunity for a hearing under AS 28.05.121 - 28.05.141. Suspension of a person's license is stayed until final disposition of the hearing under this section.

(h) Subsection (a) does not apply to a person who is required to provide proof under AS 28.22.021 if the person

(1) is involved in an accident that results in property damage of less than \$1,000 and the damage occurs only to the property of the person required to show proof of insurance;

(2) not later than 15 days after the accident, provides proof of motor vehicle liability insurance that complies with this chapter or a certificate of self-insurance that complies with AS 28.20.400 to the department; and

(3) establishes by a preponderance of the evidence that the failure to have in effect motor vehicle liability insurance or to self-insure as required by this chapter at the time of the accident was due to circumstances beyond the control of the person.

Sec. 28.22.051. FALSIFICATION OF INFORMATION. A person who, with criminal negligence as defined in AS 11.81.900, provides false information required under AS 28.22.021 - 28.22.041 is guilty of a class A misdemeanor.

Sec. 28.22.061. PROOF FOR THE FUTURE. (a) A person whose license is suspended under AS 28.22.041 shall file proof of financial responsibility for the future under AS 28.20 before full driving privileges may be restored or limited license privileges are granted under AS 28.22.041(c).

(b) A filing of proof of financial responsibility under AS 28.20 shall be required for a period of three years following expiration of the suspension of license under AS 28.22.041.

ARTICLE 2. GENERAL POLICY PROVISIONS

Sec. 28.22.101. GENERAL COVERAGE REQUIREMENTS; POLICY LIMITS. (a) An owner's motor vehicle liability policy must designate by description or appropriate reference the motor vehicles that it covers and insure the person named against loss from the liability imposed by law for damages that arise from the ownership, maintenance, or use of a designated motor vehicle.

(b) An operator's motor vehicle liability policy must insure the person named as insured against loss from the liability imposed by law for damages that arise from the use by the operator of a motor vehicle not owned by the operator.

(c) A personal motor vehicle liability policy must insure the person named as insured against loss from liability imposed by law for damages that arise from the ownership, maintenance, or use by the named person of a motor vehicle whether owned or not owned by the person.

(d) A motor vehicle liability policy must provide coverage in the United States or Canada, subject to limits exclusive of interest and costs, with respect to each vehicle, as follows:

(1) \$50,000 because of bodily injury to or death of one person in one accident, and, subject to the same limit for one person, \$100,000 because of bodily injury to or death of two or more persons in one accident; and

(2) \$25,000 because of injury to or destruction of property of others in one accident.

(e) A motor vehicle liability policy must provide coverage under AS 28.22.201 - 28.22.231 in the amounts set out in (d) of this section for the protection of the persons insured under the policy who are legally entitled to recover damages from the owner or operator of an uninsured or underinsured motor vehicle because of bodily injury or death, or damage to or destruction of property arising out of the ownership, maintenance, or use of the uninsured or underinsured motor vehicle.

(f) A motor vehicle liability policy must state the name and address of the named insured and meet the requirements of AS 21.42.160 - 21.42.170. In the absence of specific contract language or endorsement, the motor vehicle liability policy issued for a person in this state is presumed to meet the minimum requirements of (d) of this section.

Sec. 28.22.111. POLICY PROVISIONS THAT ARE IMPLIED. A motor vehicle liability policy is subject to the following provisions which do not need to be set out in the policy:

(1) satisfaction by the insured of a judgment for injury or damages is not a condition precedent to the right or duty of the insurance carrier to make payment on account of injury or damage;

(2) the insurance carrier may settle a claim covered by the policy, and if settlement is made in good faith, the amount of settlement is deductible from the limits of liability specified in AS 28.22.101;

(3) the policy, the written application for the policy, if any, and every rider or endorsement that does not conflict with the provisions of this chapter constitute the entire contract between the parties.

Sec. 28.22.121. EXCESS OR ADDITIONAL COVERAGE. (a) A policy that grants the coverage required for a motor vehicle liability policy may also grant lawful coverage in excess of or in addition to the coverage specified for a policy and the excess or additional coverage is not subject to the provisions of this chapter. With respect to a policy that grants excess or additional coverage, the term "motor vehicle liability policy" applies only to that part of the coverage that is required by this chapter.

(b) A policy is excluded from the application of this chapter if the automobile or motor vehicle liability coverage is provided only on an excess or umbrella basis.

Sec. 28.22.131. PRORATION. A motor vehicle liability policy may provide for proration of the insurance with other valid and collectible insurance.

Sec. 28.22.141. OTHER REQUIREMENTS OF POLICY. (a) A policy is not effective under AS 28.22.101 unless it is issued by an insurance company or surety company authorized to do business in this state, except as provided in (b) of this section.

(b) A policy is not effective under AS 28.22.101 with respect to a vehicle not registered in the state or a vehicle that was registered in another jurisdiction on the effective date of the policy or the most recent renewal of it, unless the insurance or surety company issuing the policy is authorized to do business in the state, or if the company is not authorized to do business in the state, unless it executes a power of attorney authorizing the director of the division of insurance to accept service of process on its behalf in an action upon the policy arising out of the accident.

(c) The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers that together meet the requirements.

(d) A binder issued pending the issuance of a motor vehicle liability policy fulfills the requirements for a policy.

ARTICLE 3. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE

Sec. 28.22.201. GENERAL POLICY PROVISIONS. (a) The uninsured and underinsured motorists coverage required under this chapter

(1) does not apply to bodily injury, sickness, disease, or death of an insured or damage to or destruction of property of an insured until the limits of liability bonds and policies that apply have been used up by payments or judgments or settlements;

(2) must be a single combined coverage; and

(3) may be rejected by the insured in writing; if the insured has rejected uninsured or underinsured coverage, the coverage may not be included in a supplemental, renewal or replacement policy unless the insured subsequently requests uninsured or underinsured coverage in writing.

(b) If both the owner and operator of a vehicle are unknown, payment under the uninsured and underinsured motorists coverage may be made only where direct contact between the motor vehicles has occurred. A vehicle and operator that have left the scene of an accident with another vehicle are presumed to be uninsured if the insured person reports the accident to the appropriate authorities within 24 hours.

(c) The uninsured and underinsured motorists coverage for damage to or destruction of property is subject to a deductible of \$250 in any one accident, but the insurer may offer a deductible other than \$250. This coverage shall be limited to damage to or destruction of the covered motor vehicle. It may not include loss of use of such vehicle.

Sec. 28.22.211. MAXIMUM LIABILITY OF CARRIER. (a) The maximum liability of the insurance carrier under the uninsured and underinsured motorists coverage required under this chapter is the difference between the coverage limit of liability and the amount paid to the insured by or on behalf of the uninsured and underinsured motorist.

(b) Amounts payable under the uninsured motorists and underinsured motorists coverage required under this chapter shall be reduced by

(1) amounts paid or to be paid under any workers' compensation law;

(2) amounts paid or payable under any valid and collectible automobile medical payments insurance or bodily injury or death liability insurance; and

(3) amounts paid by or on behalf of the uninsured or underinsured motorist.

Sec. 28.22.221. POLICY COVERAGE AND PRIORITIES. If an insured is entitled to uninsured or underinsured motorists coverage under more than one motor vehicle liability insurance policy, or under more than one coverage if two or more vehicles are insured under one policy, the maximum amount an insured may recover may not exceed the highest limit of any one policy or coverage. Where multiple policies or coverages apply, payment shall be made in the following order of priority, subject to the limit of liability for each applicable policy or coverage:

(1) a policy or coverage covering a motor vehicle occupied by the injured person at the time of the accident;

(2) a policy or coverage covering a motor vehicle that came into contact with the insured while a pedestrian; and

(3) a policy or coverage covering a motor vehicle not involved in the accident with respect to which the injured person is an insured or a named insured.

Sec. 28.22.231. POLICY COVERAGE EXCLUSIONS. The uninsured and underinsured motorists coverage required under this chapter does not apply to bodily injury or death or damage to or destruction of property of an

insured

(1) while occupying a motor vehicle owned by, but not insured by, the named insured or the insured's spouse or relative residing in the same household; or

(2) through being struck by a vehicle owned by the named insured or the insured's spouse or relative residing in the same household.

ARTICLE 4. MISCELLANEOUS PROVISIONS

Sec. 28.22.301. **POLICY INTERPRETATION.** A provision in this chapter may not be interpreted to prohibit a motor vehicle liability policy from including limitations, conditions, exceptions, exclusions, or other provisions that do not violate the requirements of this chapter or other applicable laws.

Sec. 28.22.311. **DEFINITION.** In this chapter, "motor vehicle liability policy" means an owner's policy, an operator's policy, or a personal policy that

(1) meets the requirements of AS 28.22.101; and

(2) is issued by an insurance carrier authorized to transact business in the state to or for the benefit of the person named as insured.

Sec. 28.22.321. **SHORT TITLE.** This chapter may be cited as the Alaska Mandatory Automobile Insurance Act.

* Sec. 2. AS 21.36 is amended by adding a new section to read:

Sec. 21.36.045. **NOTICE OF LIMITED MOTOR VEHICLE INSURANCE.** (a) An insurance policy that provides coverage only against property damage to a motor vehicle and that does not provide liability coverage required under AS 28.22.101(d) must contain the following statement printed in bold face type: "This policy provides insurance only against damage to the motor vehicle. This policy does not insure against bodily injury, death, or property damage liability and does not satisfy the mandatory motor vehicle liability insurance requirements of AS 28.22.011."

(b) If the insured under a policy described in (a) of this section is not the owner of the motor vehicle, the insurer shall provide a copy of the policy to the owner.

* Sec. 3. AS 21.89.020(a) is amended to read:

(a) An automobile liability policy that insures an owner or operator of a motor vehicle against loss resulting from liability for bodily injury or death, or for property injury or destruction, or both, that is sold in the state, must [SHALL] contain limits in at least the amount prescribed for a motor vehicle liability policy in AS 28.20.440 or AS 28.22.101.

* Sec. 4. AS 21.89.020(a) is repealed and reenacted to read:

(a) An automobile liability policy that insures an owner or operator of a motor vehicle against loss resulting from liability for bodily injury or death, or for property injury or destruction, or both, that is sold in the state, must contain limits in at least the amount prescribed for a motor vehicle liability policy in AS 28.20.440.

* Sec. 5. AS 21.89.020(c) is amended to read:

(c) An insurance company offering automobile liability insurance in this state for bodily injury or death shall offer coverage prescribed in AS 28.20.440 and 28.20.445, or AS 28.22, with limits equal to at least the limit purchased voluntarily to cover the insured person's liability for bodily injury or death, for the protection of the persons insured under the policy who are legally entitled to recover damages for bodily injury or death from

(5) wilfully conceals or misrepresents the identity of a vehicle or vehicle equipment;

(6) buys, receives, possesses, sells, or disposes of a vehicle or vehicle equipment, knowing that a vehicle identification number or equipment has been unlawfully removed or falsified;

(7) removes from the state a vehicle that [WHICH] is the subject of a security interest created under AS 28.01 - 28.35 or under AS 45.01 - 45.09, without the written consent of the secured party, and with intent to defraud the secured party or the state; [OR]

(8) represents a motor vehicle or house trailer to be a new vehicle and who sells or procures the sale of that motor vehicle as a new vehicle without presenting a "manufacturer's statement of origin"; or [.]

(9) makes a false statement or otherwise conceals or withholds a material fact in an application for registration or certificate of title or falsely affirms with respect to a matter required to be sworn to, affirmed, or furnished under this chapter or regulations adopted under this chapter; except that a person who with criminal negligence as defined in AS 11.81.900, falsely certifies to the department the existence of a motor vehicle liability insurance policy under AS 28.10.021(a)(2), is guilty of a class A misdemeanor.

* Sec. 21. AS 28.10.491(a) is repealed and reenacted to read:

(a) Upon conviction, a person is guilty of a felony who

(1) alters, forges, or counterfeits a certificate of title or registration, or a registration plate, decal, tab, or sticker of this or another jurisdiction;

(2) alters or forges an assignment of a certificate of title or an assignment or release of a security interest on a certificate of title of this or another jurisdiction or on a form the department prescribes;

(3) has possession of or uses a certificate of title or registration, registration plate, decal, tab, or sticker of this or another jurisdiction knowing it to have been altered, forged, or counterfeited;

(4) wilfully removes or falsifies a vehicle identification number;

(5) wilfully conceals or misrepresents the identity of a vehicle or vehicle equipment;

(6) buys, receives, possesses, sells, or disposes of a vehicle or vehicle equipment, knowing that a vehicle identification number or equipment has been unlawfully removed or falsified;

(7) removes from the state a vehicle that is the subject of a security interest created under AS 28.01 - 28.35 or under AS 45.01 - 45.09, without the written consent of the secured party, and with intent to defraud the secured party or the state;

(8) represents a motor vehicle or house trailer to be a new vehicle and who sells or procures the sale of that motor vehicle as a new vehicle without presenting a "manufacturer's statement of origin"; or

(9) makes a false statement or otherwise conceals or withholds a material fact in an application for registration or certificate of title or falsely affirms with respect to a matter required to be sworn to, affirmed, or furnished under this chapter or regulations adopted under this chapter.

* Sec. 22. AS 28.15.061 is amended by adding a new subsection to read:

(f) At the time of application for a driver's license or an instruction permit, or renewal of a driver's license or an instruction permit, the department shall provide the applicant written information explaining the state's financial responsibility and mandatory motor vehicle insurance laws and potential penalties for failure to comply with those laws.

* Sec. 23. AS 28.15.061(f) is repealed and reenacted to read:

(f) At the time of application for a driver's license or an instruction permit, or renewal of a driver's license or an instruction permit, the department shall provide the applicant written information explaining the state's financial responsibility law and potential penalties for failure to comply with that law.

* Sec. 24. AS 28.15.081(a) is repealed and reenacted to read:

(a) The department shall examine every applicant for a driver's license. The examination must include a test of the applicant's (1) eyesight, (2) ability to read and understand official traffic control devices, (3) knowledge of safe driving practices, (4) knowledge of the effects of alcohol and drugs on drivers and the dangers of driving under the influence of alcohol or drugs, (5) knowledge of the laws on driving while intoxicated, (6) knowledge of the laws on financial responsibility and mandatory motor vehicle liability insurance, and (7) knowledge of the traffic laws and regulations of the state. The examination may include a demonstration of ability to exercise ordinary and reasonable control in the driving of a motor vehicle of the type and general class of vehicles for which the applicant seeks a license. However, an applicant who has not been previously issued a driver's license by this or another jurisdiction shall demonstrate ability and shall present medical information that the department reasonably requires to determine fitness to safely drive a motor vehicle of the type and general class of vehicles for which the applicant seeks a license.

* Sec. 25. AS 28.15.081(a) is repealed and reenacted to read:

(a) The department shall examine every applicant for a driver's license. The examination must include a test of the applicant's (1) eyesight, (2) ability to read and understand official traffic control devices, (3) knowledge of safe driving practices, (4) knowledge of the effects of alcohol and drugs on drivers and the dangers of driving under the influence of alcohol or drugs, (5) knowledge of the laws on driving while intoxicated, (6) knowledge of the laws on financial responsibility, and (7) knowledge of the traffic laws and regulations of the state. The examination may include a demonstration of ability to exercise ordinary and reasonable control in the driving of a motor vehicle of the type and general class of vehicles for which the applicant seeks a license. However, an applicant who has not been previously issued a driver's license by this or another jurisdiction shall demonstrate ability and shall present medical information that the department reasonably requires to determine fitness to safely drive a motor vehicle of the type and general class of vehicles for which the applicant seeks a license.

* Sec. 26. AS 28.15.255(c) is amended to read:

(c) In this section, the term "proof of financial responsibility [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.230(b)] and may be established as provided in AS 28.20.

* Sec. 27. AS 28.20.400(a) is amended to read:

(a) A person in whose name more than 25 vehicles are registered in this state may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the department as provided in (b) of this section. A person in whose name fewer than 25 vehicles are registered qualifies as a self-insurer and shall be issued a certificate of self-insurance, if the person provides proof satisfactory to the department that the person has and will continue to have the ability to pay a judgment for property damage, bodily injury, or both, in the amount of at least \$125,000.

* Sec. 28. AS 28.20.630 is amended to read:

Sec. 28.20.630. DEFINITIONS [DEFINITION]. In this chapter, unless the context otherwise requires,

(1) "judgment" ["JUDGMENT"] means a judgment that [WHICH] is final by expiration without appeal of the time within which an appeal may be taken, or final by affirmation on appeal, given by a court of a [ANY] state or of the United States, upon a cause of action arising out of the ownership, maintenance, or use of a vehicle of a type subject to registration under the laws of this state, for damages, including damages for care and loss of

services, because of bodily injury to or death of a person, or for damages because of injury to or destruction of property, including the loss of use of property, or upon a cause of action on an agreement of settlement for such damages;

(2) "proof of financial responsibility" means an owner's motor vehicle liability policy that covers all vehicles owned by the person that are subject to registration in this state, or if the person does not own a vehicle, proof required under AS 28.20.390.

* Sec. 29. Sections 2 and 9 of this Act apply to automobile liability insurance policies entered into or renewed on or after January 1, 1990.

* Sec. 30. AS 28.20.230(b) is repealed.

* Sec. 31. AS 21.36.045, AS 28.10.051(b), and AS 28.22 are repealed.

* Sec. 32. REPORT. The Department of Public Safety shall report to the legislature by the 30th day of the Second Session of the Seventeenth Alaska State Legislature on the effects of the Alaska Mandatory Automobile Insurance Act (AS 28.22). The report must include

(1) the percentage of persons involved in accidents who are adequately compensated for resulting personal injury or property damage under the Motor Vehicle Safety Responsibility Act (AS 28.20);

(2) the number of persons whose driver's license was suspended for failing to comply with the Alaska Mandatory Automobile Insurance Act (AS 28.22) and the disposition of those suspensions;

(3) the change, if any, in the percentage of uninsured drivers during the period beginning July 1, 1989, and ending December 31, 1991; and

(4) recommended legislative changes.

* Sec. 33. Sections 11, 14, and 17 of this Act take effect January 1, 1990.

* Sec. 34. Sections 1, 2, 3, 5, 7, 9, 16, 18, 20, 22, 24, 26 - 30, and 32 of this Act take effect immediately under AS 01.10.070(c).

* Sec. 35. Sections 4, 6, 8, 10, 12, 13, 15, 19, 21, 23, 25, and 31 of this Act take effect January 1, 1994.

2001 AK. HB 4


Enacted, June 19, 2002

Reporter

2002 AK. ALS 60; 2002 AK. Sess. Laws 60; 2002 AK. Ch. 60; 2001 AK. HB 4

ALASKA ADVANCE LEGISLATIVE SERVICE > ALASKA 22ND LEGISLATURE -- SECOND SESSION > CHAPTER NO. 60 > HOUSE BILL 4

Notice

 [A> UPPERCASE TEXT WITHIN THESE SYMBOLS IS ADDED <A]
[D> Text within these symbols is deleted <D]

Synopsis

AN ACT 'AN ACT "An Act relating to motor vehicles and to operating a motor vehicle, aircraft, or watercraft; and providing for an effective date."

Text

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. The uncodified law of the State of Alaska is amended by adding a new section to read:

FINDINGS AND INTENT. (a) The legislature finds that

- (1) driving on state highways is a privilege granted to citizens;
- (2) in order to keep the privilege of driving on state highways, a citizen must follow state laws regarding safe driving;
- (3) in 1998, there were 71 vehicle-related deaths in the state, and 31 were alcohol-related;
- (4) in 1999, there were 76 vehicle-related deaths in the state, and 40 were alcohol-related;
- (5) from 1998 to 1999, the number of traffic fatalities in Alaska rose by nine percent;
- (6) Alaska ranks in the top 15 states in terms of alcohol-related traffic fatalities;
- (7) habitual offenders do most of the harm;
- (8) district courts in Anchorage and Juneau have been applying therapeutic court models to municipal offenders charged with driving while intoxicated and other alcohol- related offenses;
- (9) judges throughout Alaska have expressed interest in using therapeutic court models to reduce recidivism among alcoholic offenders.

(b) It is the intent of this Act to

2001 AK. HB 4

- (1) reduce the number of alcohol-related traffic accidents and fatalities;
- (2) encourage the effort described under (1) of this subsection by creating a treatment process to be used by the court system;
- (3) assist the development and operation of therapeutic courts approved by the presiding judge in the judicial district by using the existing Alaska nonprofit corporation that currently funds and coordinates the noncourt, community-related functions for the existing Anchorage Wellness Court or other similar Alaska nonprofit corporation for offenders charged with driving while intoxicated and other alcohol-related offenses; these functions include case coordination, sobriety monitoring, and community liaison to provide medical treatment and other services;
- (4) modify the existing laws on impoundment and forfeiture of a motor vehicle by following the municipal impoundment and forfeiture process established in Anchorage and Fairbanks.

Sec. 2. AS 09.60.070(c)(14) is amended to read:

(14) driving while **[A> UNDER THE INFLUENCE OF AN ALCOHOLIC BEVERAGE, INHALANT, OR CONTROLLED SUBSTANCE <A] [D> INTOXICATED <D]** or another crime resulting from the operation of a motor vehicle, boat, or airplane when the offender is **[A> UNDER THE INFLUENCE OF AN ALCOHOLIC BEVERAGE, INHALANT, OR CONTROLLED SUBSTANCE <A] [D> INTOXICATED <D]** ;

Sec. 3. AS 12.25.033 is amended to read:

Sec. 12.25.033. Arrest without warrant for operating vehicle while **[A> UNDER THE INFLUENCE OF AN ALCOHOLIC BEVERAGE, INHALANT, OR CONTROLLED SUBSTANCE <A] [D> INTOXICATED <D]** . A peace officer may arrest a person without a warrant, whether or not the offense is committed in the presence of the officer, when the officer has probable cause to believe that the person to be arrested has committed the crime of operating a motor vehicle, an aircraft, or a watercraft in violation of AS 28.35.030 or a similar city or borough ordinance, if the violation is alleged to have occurred less than eight hours before the time of arrest.

Sec. 4. AS 12.55.125(c) is amended to read:

(c) A defendant convicted of a class A felony may be sentenced to a definite term of imprisonment of not more than 20 years, and shall be sentenced to the following presumptive terms, subject to adjustment as provided in AS 12.55.155 - 12.55.175:

(1) if the offense is a first felony conviction and does not involve circumstances described in (2) of this subsection, five years;

(2) if the offense is a first felony conviction

(A) other than for manslaughter and the defendant possessed a firearm, used a dangerous instrument, or caused serious physical injury during the commission of the offense, or knowingly directed the conduct constituting the offense at a uniformed or otherwise clearly identified peace officer, fire fighter, correctional employee, emergency medical technician, paramedic, ambulance attendant, or other emergency responder who was engaged in the performance of official duties at the time of the offense, seven years;

(B) for manslaughter and the conduct resulting in the conviction was knowingly directed towards a child under the age of 16, seven years;

[A> (C) FOR MANSLAUGHTER AND THE CONDUCT RESULTING IN THE CONVICTION INVOLVED DRIVING WHILE UNDER THE INFLUENCE OF AN ALCOHOLIC BEVERAGE, INHALANT, OR CONTROLLED SUBSTANCE, SEVEN YEARS; <A]

under AS 28.15.201(d) following that revocation, of not less than 20 days with 10 days suspended, and a fine of not less than \$ 500, including a mandatory condition of probation that the defendant complete not less than 80 hours of community work service;

(D) if the person's driver's license, privilege to drive, or privilege to obtain a license was revoked under circumstances described in AS 28.15.181(c)(2), (3), or (4) or if the person was driving in violation of a limited license issued under AS 28.15.201(d) following that revocation, of not less than 30 days and a fine of not less than \$ 1,000;

(2) may impose additional conditions of probation;

(3) may not

(A) suspend execution of sentence or grant probation except on condition that the person serve a minimum term of imprisonment and perform required community work service as provided in (1) of this subsection;

(B) suspend imposition of sentence; [D> AND <D]

(4) shall revoke the person's license, privilege to drive, or privilege to obtain a license, and the person may not be issued a new license or a limited license nor may the privilege to drive or obtain a license be restored for an additional period of not less than 90 days after the date that the person would have been entitled to restoration of driving privileges [A> ; AND <A]

[A> (5) MAY ORDER THAT THE MOTOR VEHICLE THAT WAS USED IN COMMISSION OF THE OFFENSE BE FORFEITED UNDER AS 28.35.036 <A] .

Sec. 19. AS 28.20.230 is amended by adding a new subsection to read:

(c) Notwithstanding any other provisions of this chapter, a person convicted of driving under the influence of an alcoholic beverage, inhalant, or controlled substance in violation of AS 28.35.030, or convicted of refusal to submit to a chemical test of breath under AS 28.35.032, shall maintain proof of financial responsibility for the future for (1) five years if the person has not been previously convicted; (2) 10 years if the person has been previously convicted once; (3) 20 years if the person has been previously convicted twice; (4) for as long as the person is licensed to drive under AS 28.15 if the person has been previously convicted three or more times. In this subsection, "previously convicted" has the meaning given in AS 28.35.030.

Sec. 20. AS 28.22 is amended by adding a new section to read:

Sec. 28.22.019. Proof of insurance to be carried and exhibited on demand. (a) A person shall have proof of motor vehicle liability insurance in the person's immediate possession at all times when driving a motor vehicle, and shall present the proof for inspection upon the demand of a peace officer or other authorized representative of the Department of Public Safety. However, a person charged with violating this section may not be convicted if the person produces in court or in the office of the arresting or citing officer proof of motor vehicle liability insurance previously issued to the person that was valid at the time of the person's arrest or citation.

(b) A municipality may adopt an ordinance

(1) requiring a person to display a decal on the person's motor vehicle indicating compliance with (a) of this section; or

(2) that is substantially similar to (a) of this section and may impose a penalty for violating the ordinance as provided under AS 29.25.070.