

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, mainte-

nance, 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

person entitled to the use and possession of a vehicle subject to a security interest in another person, but excludes a lessee under a lease not intended as security.

(10) "Park or Parking" — means the standing of a vehicle, whether occupied or not, otherwise than temporarily for the purpose of and while actually engaged in loading or unloading merchandise or passengers.

(11) "Person" — every natural person, firm, copartnership, association or corporation.

(12) "Registration" — the registration certificate or certificates and registration plates issued under the laws of this state pertaining to the registration of vehicles.

(13) "Revocation of driver's license" — the termination by formal action of the department of a person's driver's license or privilege to operate a motor vehicle on the public highways, which termination shall not be subject to renewal or restoration except that an application for a new license may be presented and acted upon by the department after the expiration of at least one year after the date of revocation.

(14) "State"—a state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico or a province of the Dominion of Canada.

(15) "Superintendent" — the Superintendent of the State Police of Alaska or his successor.

(16) "Suspension of driver's license" — the temporary withdrawal by formal action of the department of a person's driver's license or privilege to operate a motor vehicle on the public highways which temporary withdrawal shall be for a period specifically designated by the department.

(17) "Vehicle" — every device in, upon or by which any person or property is or may be transported or drawn upon a highway, excepting devices moved by human power or used exclusively upon stationary rails or tracks.

Sec. 4. Superintendent to Administer Act.

(1) The Superintendent shall administer and enforce the provisions of this Act for the Department of Public Safety and may make rules and regulations necessary for its administration.

(2) The Superintendent shall receive and consider any pertinent information upon request of persons aggrieved by his orders or acts under any of the provisions of this Act.

(3) The Superintendent shall prescribe and provide suitable forms requisite or deemed necessary for the purposes of this Act.

Sec. 5. Court Review. Any order or act of the superintendent under the provisions of this Act shall be subject to review by appeal to the superior courts of this state in accord with Chapter 2 of the Administrative Procedures Act.

Sec. 6. Department to Furnish Operating Record. The department shall upon request furnish any insurance carrier authorized to do business in the state or interested state agency a certified abstract of the operating record of any person subject to the provisions of this Act, which abstract shall include enumeration of any motor vehicle accidents in which such person has been involved and reference to any convictions of said person for violation of the motor vehicle laws as reported to the department, and a record of any vehicles registered in the name of such persons. The department shall collect for each abstract the sum of \$1.00.

Sec. 7. Application of Act. The provisions of this Act, requiring deposit of security and suspensions for failure to deposit security, subject to certain exemptions, shall apply to the driver and owner of any vehicle of a type subject to registration under the motor vehicle laws of this state which is in any manner involved in an accident within this state, which accident has resulted in bodily injury to or death of any person or damage to the property of any one person in excess of \$200.00.

(1) The department, not less than 20 days after receipt of a report of an accident as described in the preceding section, shall determine the amount of security which shall be sufficient in its

judgment to satisfy any judgment or judgments for damages resulting from such accident as may be recovered against each driver or owner. Such determination shall not be made with respect to drivers or owners who are exempt under succeeding sections of this Act from the requirements as to security and suspension.

(2) The department shall determine the amount of security deposit required of any person upon the basis of the reports or other information submitted. In the event a person involved in an accident as described in this Act fails to make a report or submit information indicating the extent of his injuries or the damage to his property within thirty days after the accident and the department does not have sufficient information on which to base an evaluation of such injuries or damage, then the department after reasonable notice to such person, if it is possible to give such notice, otherwise without such notice, shall not require any deposit of security for the benefit or protection of such person.

(3) The department within thirty days after receipt of report of any accident referred to herein and upon determining the amount of security to be required of any person involved in such accident or to be required of the owner of any vehicle involved in such accident shall give written notice to every such person of the amount of security required to be deposited by him and that an order of suspension will be made as hereinafter provided upon the expiration of 10 days after the sending of such notice unless within said time security be deposited as required by said notice.

Sec. 8. Exceptions to Requirement of Security. The requirements as to security and suspension in this Act shall not apply:

(1) To the driver or owner if the owner had in effect at the time of the accident an automobile liability policy or bond with respect to the vehicle involved in the accident, except that a driver shall not be exempt under this paragraph if at the time of the accident the vehicle was being operated without the owner's permission, express or implied;

(2) To the driver, if not the owner of the vehicle involved in the accident, if there was in effect at the time of the accident an automobile liability policy or bond with respect to his driving of vehicles not owned by him;

(3) To a driver or owner whose liability for damages resulting from the accident is, in the judgment of the department, covered by any other form of liability insurance policy or bond;

(4) To any person qualifying as a self-insurer under Sec. 42 or to any person operating a vehicle for such self-insurer;

(5) To the driver or owner of a vehicle involved in an accident wherein no injury or damage was caused to the person or property of anyone other than such driver or owner;

(6) To the driver or owner of a vehicle which at the time of the accident was parked, unless such vehicle was parked at a place where parking was at the time of the accident prohibited under any applicable law or ordinance;

(7) To the owner of a vehicle if at the time of the accident the vehicle was being operated without his permission, express or implied, or was parked by a person who had been operating such vehicle without such permission;

(8) To the owner of a vehicle involved in an accident if at the time of the accident such vehicle was owned or leased to the United States, this state or any political subdivision of this state or a municipality thereof, or to the driver of such vehicle if operating such vehicle with permission; or

(9) To the driver or the owner of a vehicle in the event at the time of the accident the vehicle was being operated by or under the direction of a police officer who, in the performance of his duties, shall have assumed custody of such vehicle.

Sec. 9. Requirements as to Policy or Bond.

(1) No policy or bond shall be effective under Sec. 8 unless issued by an insurance company or surety company authorized to do business in this state,

except as provided in subdivision (2) of this section, nor unless such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than \$10,000.00 because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not less than \$20,000.00 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 \$5,000.00 because of injury to or destruction of property of others in any one accident.

(2) No policy or bond shall be effective under Sec. 8. with respect to any vehicle which was not registered in this state or was a vehicle which was registered elsewhere than in this state at the effective date of the policy or bond or the most recent renewal thereof, unless the insurance company or surety company issuing such policy or bond is authorized to do business in this state, or if said company is not authorized to do business in this state, unless it shall execute a power of attorney authorizing the insurance commissioner or his successor to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident.

(3) The department may rely upon the accuracy of the information in a required report of an accident as to the existence of insurance or a bond unless and until the department has reason to believe that the information is erroneous.

Sec. 10. Form and Amount of Security.

(1) The security required under this Act shall be in such form and such amount as the department may require, but in no case in excess of the limits specified in Sec. 9 in reference to the acceptable limits of a policy or bond.

(2) Every depositor of security shall designate in writing every person in whose name such deposit is made and may at any time change such designation, but any single deposit of security shall be applicable only on behalf of persons required to furnish security because of the same accident.

Sec. 11. Failure to Deposit Security—Suspensions. In the event that any person required to deposit security under this Act fails to deposit such security within 10 days after the department has sent the notice as hereinbefore provided, the department shall thereupon suspend:

(1) The license of each driver in any manner involved in the accident;

(2) If the driver is a non-resident, the privilege of operating within this state a vehicle of a type subject to registration under the laws of this state;

(3) If such owner is a non-resident, the privilege of such owner to operate or permit the operation within this state of a vehicle of a type subject to registration under the laws of this state.

Such suspensions shall be made in respect to persons required by the department to deposit security who fail to deposit such security, except as otherwise provided under succeeding sections of this Act.

Sec. 12. Release from Liability.

(1) A person shall be relieved from the requirement for deposit of security for the benefit of protection of another person injured or damaged in the accident in the event he is released from liability by such other person.

(2) A covenant not to sue shall relieve the parties thereto as to each other from the security requirements of this Act.

(3) In the event the department has evaluated the injuries or damage to any minor in an amount not more than \$200 the department may accept, for the purposes of this Act only, evidence of a release from liability executed by a natural guardian or a legal guardian on behalf of such minor without the approval of any court or judge.

Sec. 13. Adjudication of Nonliability. A person shall be relieved from the requirement for deposit of security in respect to a claim for injury or damage arising out of the accident in the event such person has been finally adjudicated not to be liable in respect to such claim.

Sec. 14. Agreements for Payment of Damages.

(1) Any two or more of the persons involved in or affected by an accident as described in Sec. 7 may at any time enter into a written agreement for the payment of an agreed amount with respect to all claims of any of such persons because of bodily injury to or death or property damage arising from such accident, which agreement may provide for payment in installments, and may file a signed copy thereof with the department.

(2) The department, to the extent provided by any such written agreement filed with it, shall not require the deposit of security and shall terminate any prior order of suspension, or, if security has previously been deposited, the department shall immediately return such security to the depositor or his personal representative.

(3) In the event of a default in any payment under such agreement and upon notice of such default the department shall take action suspending the license of such person in default as would be appropriate in the event of failure of such person to deposit security when required under this Act.

(4) Such suspension shall remain in effect and such license shall not be restored unless and until:

(a) Security is deposited as required under this Act in such amount as the department may then determine, or

(b) When, following any such default and suspension, the person in default has paid the balance of the agreed amount, or

(c) One year has elapsed following the effective date of such suspension and evidence satisfactory to the department has been filed with it that during such period no action at law upon such agreement has been instituted and is pending.

Sec. 15. Payment Upon Judgment. The payment of a judgment arising out of an accident or the payment upon such judgment of an amount equal to the maximum amount which could be required for

deposit under this Act shall, for the purposes of this Act, release the judgment debtor from the liability evidenced by such judgment.

Sec. 16. Termination of Security Requirement. The department, if satisfied as to the existence of any fact which under Sec. 12, 13, 14 or 15 would entitle a person to be relieved from the security requirements of this Act, shall not require the deposit of security by the person so relieved from such requirement and shall terminate any prior order of suspension in respect to such person, the department shall immediately return such deposit to such person or to his personal representative.

Sec. 17. Duration of Suspension. Unless a suspension is terminated under other provisions of this Act, an order of suspension by the department under this Act shall remain in effect and no license shall be renewed for or issued to any person whose license is so suspended until

(1) Such person shall deposit or there shall be deposited on his behalf the security required under this Act, or

(2) One year shall have elapsed following the date of such suspension and evidence satisfactory to the department has been filed with it that during such period no action for damages arising out of the accident resulting in such suspension has been instituted.

An affidavit of the applicant that no action at law for damages arising out of the accident has been filed against him or, if filed, that it is not still pending shall be prima facie evidence of that fact. The department may take whatever steps are necessary to verify the statement set forth in any said affidavit.

Sec. 18. Application to Non-Residents, Unlicensed Drivers, Unregistered Vehicles and Accidents in Other States.

(1) In case the driver or the owner of a vehicle of a type subject to registration under the laws of this state involved in an accident within this state has no license or registration in this state, then such driver shall not be allowed a license, nor shall such owner be allowed

to register any vehicle in this state until he has complied with the requirements of this Act to the extent that would be necessary if, at the time of the accident, he had held a license or been the owner of a vehicle registered in this state.

(2) When a non-resident's operating privilege is suspended pursuant to Sec. 11, the department shall transmit a certified copy of the record of such action to the official in charge of the issuance of licenses and registration certificates in the state in which such non-resident resides, if the law of such other state provides for action in relation thereto similar to that provided for in subsection (3) of this section.

(3) Upon receipt of such certification that the operating privilege of a resident of this state has been suspended or revoked in any such other state pursuant to a law providing for its suspension or revocation for failure to deposit security for the payment of judgments arising out of a motor-vehicle accident, under circumstances which would require the department to suspend a non-resident's operating privilege had the accident occurred in this state, the department shall suspend the license of such resident. Such suspension shall continue until such resident furnishes evidence of his compliance with the law of such other state relating to the deposit of such security.

Sec. 19. Authority of Department to Decrease Amount of Security. The department may reduce the amount of security ordered in any case within six months after the date of the accident if in its judgment the amount ordered is excessive. In case the security originally ordered has been deposited, the excess deposit over the reduced amount ordered shall be returned to the depositor or his personal representative forthwith.

Sec. 20. Correction of Action of Department. Whenever the department has taken any action or has failed to take any action under this Act by reason of having received erroneous information or by reason of having received no information, then upon receiving correct information within one year after the

date of an accident the department shall take appropriate action to carry out the purposes and effect of this Act. The foregoing shall not, however, be deemed to require the department to reevaluate the amount of any deposit required under this Act.

Sec. 21. Custody of Security. The department shall place any security deposited with it under this Act in the custody of the Treasurer.

Sec. 22. Disposition of Security.

(1) Such security shall be applicable and available only

(a) For the payment of any settlement agreement covering any claim arising out of the accident upon instruction of the person who made the deposit, or

(b) For the payment of a judgment or judgments, rendered against the person required to make the deposit, for damages arising out of the accident in an action at law begun not later than one (1) year after the deposit of such security, or within one (1) year after the date of deposit of any security following failure to make payments under an agreement to pay.

(2) Every distribution of funds from the security deposits shall be subject to the limits of the department's evaluation on behalf of a claimant.

Sec. 23. Return of Deposit. Upon the expiration of one (1) year from the date of any deposit of security any security remaining on deposit shall be returned to the person who made such deposit or to his personal representative if an affidavit or other evidence satisfactory to the department has been filed with it:

(1) That no action for damages arising out of the accident for which deposit was made is pending against any person on whose behalf the deposit was made, and

(2) That there does not exist any unpaid judgment rendered against any such person in such an action.

The foregoing provisions of this section shall not be construed to limit the return of any deposit of security under

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 exempted 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-

spect to any accident in which a judgment in his favor has been rendered on a cause of action arising out of such accident, which judgment establishes his freedom from fault.

Sec. 29. Suspension for Nonpayment of Judgments. The department upon receipt of a certified copy of a judgment and a certificate of facts relative to such judgment, on a form provided by the department, shall forthwith suspend the license and any non-resident's operating privilege of any person against whom such judgment was rendered, except as hereinafter otherwise provided in this Act.

Sec. 30. When Courts to Report Non-payment of Judgments. Whenever any person fails within thirty (30) days to satisfy any judgment arising out of a motor vehicle accident, it shall be the duty of the clerk of the court, or of the judge of a court which has no clerk, in which any such judgment is rendered within this state to forward to the superintendent a certified copy of such judgment and a certificate of facts relative to such judgment.

Sec. 31. Further Action With Respect to Non-residents. If the defendant named in any certified copy of a judgment reported to the department is a non-resident, the department shall transmit a certified copy of the judgment to the official in charge of the issuance of licenses and registrations of the state of which the defendant is a resident.

Sec. 32. Exception in Relation to Government Vehicles. The provisions of Secs. 28 and 29 shall not apply with respect to any accident caused by the ownership or operation, with permission, of a vehicle owned or leased to the United States, this state or any political subdivision of this state or a municipality thereof.

Sec. 33. Exception When Consent Granted by Judgment Creditor. If the judgment creditor consents in writing, in such form as the department may prescribe, that the judgment debtor be allowed license or non-resident's operating privilege, the same may be allowed by the department, in its discretion, for six (6) months from the date of such

consent and thereafter until such consent is revoked in writing, notwithstanding default in the payment of such judgment, or of any installments thereof prescribed in Sec. 29, provided the judgment debtor furnishes proof of financial responsibility.

Sec. 34. Exceptions When Insurer Liable. No license or non-resident's operating privilege of any person shall be suspended under the provisions of this Act if the department shall find that an insurer was obligated to pay the judgment upon which suspension is based, at least to the extent and for the amounts required in this Act, but has not paid such judgment for any reason. A finding by the department that an insurer is obligated to pay a judgment shall not be binding upon such insurer and shall have no legal effect whatever except for the purpose of administering this section. Whenever in any judicial proceedings it shall be determined by any final judgment, decree or order that an insurer is not obligated to pay any such judgment, the department, notwithstanding any contrary finding theretofore made by it, shall forthwith suspend the license or any non-resident's operating privilege of any person against whom such judgment was rendered, as provided in Sec. 29.

Sec. 35. Suspension to Continue Until Judgments Paid and Proof Given: Duration of Proof.

(1) Where a person has an unsatisfied judgment against him requiring suspension under Sec. 29, his license or non-resident's operating privilege shall remain suspended and shall not be renewed, nor shall any such license or registration be thereafter issued in the name of such person, including any such person not previously licensed, unless and until every such judgment is stayed, satisfied in full or to the extent hereinafter provided and until the said person gives proof of financial responsibility subject to the exceptions stated in Secs. 33, 34, and 39.

(2) The proof required above must be maintained so long as such person has a license or non-resident's operating privilege.

Sec. 36. Driving While License Can-

celled, Suspended or Revoked. The department upon receiving a record of the conviction of any person upon a charge of driving a vehicle while the license of such person was suspended shall forthwith suspend the registration of any vehicle registered in the name of such person until such person shall give and thereafter maintain proof of financial responsibility for the future for each such vehicle.

Sec. 37. Discharge in Bankruptcy. A discharge in bankruptcy following the rendering of any such judgment shall not relieve the judgment debtor from any of the requirements of this Act.

Sec. 38. Payments Sufficient to Satisfy Requirements.

(1) Judgments herein referred to shall, for the purpose of this Act only, be deemed satisfied:

(a) When ten thousand (\$10,000.00) dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident; or

(b) When, subject to such limit of ten thousand (\$10,000.00) Because of bodily injury to or death of one person, the sum of twenty thousand (\$20,000.00) has been credited upon any judgment or judgments rendered 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

(c) When five thousand (\$5,000.00) dollars has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident;

(2) Provided, however, payments made in settlements of any claims because of bodily injury, death or property damage arising from such accident shall be credited in reduction of the amounts provided for in this section.

Sec. 39. Installment Payment of Judgments: Default.

(1) A judgment debtor upon due

notice to the judgment creditor may apply to the court in which such judgment was rendered for the privilege of paying such judgment in installments and the court, in its discretion and without prejudice to any other legal remedies which the judgment creditor may have, may so order and fix the amounts and times of payment of the installments.

(2) The department shall not suspend a license or non-resident's operating privilege, and shall restore any license or non-resident's operating privilege suspended following non-payment of a judgment, when the judgment debtor gives proof of financial responsibility and obtains such an order permitting the payment of such judgment in installments, and while the payment of any said installment is not in default.

(3) In the event the judgment debtor fails to pay any installment as specified by such order, then upon notice of such default, the department shall forthwith suspend the license or non-resident's operating privilege of the judgment debtor until such judgment is satisfied, as provided in this Act.

Sec. 40. Registration and Operator's Rights Limited by Extent of Proof.

(1) Owner's coverage. When a certificate is filed showing that a policy or policies have been issued covering a motor vehicle or vehicles owned by the insured, but not insuring such person when operating any motor vehicle not owned by him, such restriction may be removed upon the filing of a certificate showing an operator's policy issued to such person.

(2) The department, upon receiving satisfactory evidence of the violation of the restriction on such license may suspend said license until a certificate is filed showing an operator's policy issued to the holder of the license.

Sec. 41. Alternate Methods of Giving Proof. Proof of financial responsibility when required under this Act with respect to a person who is not the owner of such a vehicle, may be given by filing:

(1) A certificate of insurance as provided in Sec. 43 or Sec. 44;

(2) A bond as provided in Sec. 49;

(3) A certificate of deposit of money or securities as provided in Sec. 51; or

(4) A certificate of self-insurance, as provided in Sec. 42, supplemented by an agreement by the self-insurer that, with respect to accidents occurring while the certificate is in force, he will pay the same amounts that an insurer would have been obligated to pay under an owner's motor-vehicle liability policy if it had issued such a policy to said self-insurer.

Sec. 42. Self-Insurers.

(1) Any person in whose name more than twenty-five (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 subsection (2) of this section.

(2) The department may, in its discretion, upon the application of such a person, issue a certificate of self-insurance when it is satisfied that such person is possessed and will continue to be possessed of ability to pay judgments obtained against such person. Such certificate may be issued authorizing a person to act as a self-insurer for either property damage or bodily injury, or both, or within such limits as the department prescribes.

(3) Upon not less than ten (10) days notice and a hearing pursuant to such notice, the department may upon reasonable grounds cancel a certificate of self-insurance. Failure to pay any judgment within thirty (30) days after such judgment shall have become final shall constitute a reasonable ground for the cancellation of a certificate of self-insurance.

Sec. 43. Certificate of Insurance as Proof. Proof of financial responsibility for the future may be furnished by filing with the department the written certificate of any insurance carrier duly authorized to do business in this state certifying that there is in effect a motor-vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility. Such certificate

shall give the effective date of such motor-vehicle liability policy, which date shall be the same as the effective date of the certificate, and shall designate by explicit description or by appropriate reference all vehicles covered thereby, unless the policy is issued to a person who is not the owner of a motor vehicle.

Sec. 44. Certificate Furnished by Non-resident as Proof. A non-resident may give proof of financial responsibility by filing with the department a written certificate or certificates of an insurance carrier authorized to transact business in the state in which the vehicle, or vehicles, owned by such non-resident resides, if he does not own a vehicle, provided such certificate otherwise conforms with the provisions of this Act, and the department shall accept the same upon condition that said insurance carrier complies with the following provisions with respect to the policies so certified:

(1) Said insurance carrier shall execute a power of attorney authorizing the superintendent to accept service on its behalf of notice or process in any action arising out of a motor-vehicle accident in this state;

(2) Said insurance carrier shall agree in writing that such policies shall be deemed to conform with the laws of this state relating to the terms of motor-vehicle liability policies issued therein.

Sec. 45. Default by Non-resident Insurer. If any insurance carrier not authorized to transact business in this state, which has qualified to furnish proof of financial responsibility, defaults in any said undertakings or agreements, the department shall not thereafter accept as proof any certificate of said carrier whether theretofore filed or thereafter tendered as proof, so long as such default continues.

Sec. 46. Motor-Vehicle Liability Policy.

(1) A "motor-vehicle liability policy" as the term is used in this Act shall mean an "owner's policy" or an "operator's policy" containing an agreement or endorsement as provided in Sec. 46 (a), or certified as provided in Sec. 43 or 44 as proof of financial responsibility for the future, and issued, except as other-

wise provided in Sec. 44, by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named therein as insured.

(2) Such owner's policy of liability insurance:

(a) Shall designate by explicit description or by appropriate reference all vehicles with respect to which coverage is thereby to be granted; and

(b) Shall insure the person named therein and any other person, as insured, using any such vehicle or vehicles with the express or implied permission of such named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of such vehicle or vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such vehicle, as follows: 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, twenty thousand (\$20,000.00) dollars because of bodily injury to or death of two or more persons in any one accident, and five thousand dollars (\$5,000.00) because of injury to or destruction of property of others in any one accident.

(3) Such operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are set forth above with respect to an owner's policy of liability insurance.

(4) Such motor-vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period and the limits of liability, and shall contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage as defined in this Act as respects bodily injury and death or property damage, or both, and

is subject to all the provisions of this Act.

(5) Such motor-vehicle liability policy need not insure any liability under any workmen's compensation law nor any liability for damage to property owned by, rented to, in charge of or transported by the insured.

(6) Every motor-vehicle liability policy shall be subject to the following provisions which need not be contained therein:

(a) The liability of the insurance carrier with respect to the insurance required by this Act shall become absolute whenever injury or damage covered by said motor-vehicle liability policy occurs; said policy may not be cancelled or annulled as to such liability after the occurrence of the injury or damage; no statement made by the insured or on his behalf and no violation of said policy shall defeat or void said policy.

(b) The satisfaction by the insured of a judgment for such injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of such injury or damage.

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

(d) The policy, the written application therefore, if any, and any rider or endorsement which does not conflict with the provisions of this Act shall constitute the entire contract between the parties.

(7) Any policy which grants the coverage required for a motor-vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor-vehicle liability policy and such excess or additional coverage shall not be subject to the provisions of this Act. With respect to a policy which grants such excess or additional coverage the term "motor-vehicle liability policy" shall apply only

to that part of the coverage which is required by this section.

(8) Any motor-vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this Act.

(9) Any motor-vehicle liability policy may provide for the prorating of the insurance thereunder with other valid and collectible insurance.

(10) The requirements for a motor-vehicle liability policy may be fulfilled by the policies of one or more insurance carrier which policies together meet such requirements.

(11) Any binder issued pending the issuance of a motor-vehicle liability policy shall be deemed to fulfill the requirements for such a policy.

Sec. 47. Notice of Cancellation or Termination of Certified Policy. When an insurance carrier has certified a motor-vehicle liability policy under Sec. 43 or Sec. 44 the insurance so certified shall not be cancelled or terminated until at least ten (10) days after a notice of cancellation or termination of the insurance so certified shall be filed in the department, except that such a policy subsequently procured and certified shall, on the effective date of its certification, terminate for the purpose of this Act the insurance previously certified with respect to any vehicle designated in both certificates.

Sec. 48. Act Not to Affect Other Policies.

(1) This Act shall not be held to apply to or affect policies of automobile insurance against liability which may now or hereafter be required by any other law of this state, except that such policies, if they contain an agreement or are endorsed to conform with the requirements of this Act, may be certified as proof of financial responsibility under this Act.

(2) This Act shall not be held to apply to or affect policies insuring solely the insured named in the policy against

liability resulting from the maintenance or use by persons in the insured's employ or on his behalf of vehicles not owned by the insured.

Sec. 49. Bond as Proof. Proof of financial responsibility may be evidenced by the bond of a surety company duly authorized to transact business within this state, which said bond shall be conditioned for payment of the amounts specified in Sec. 25. Such bond shall be filed with the department and shall not be cancelable except after ten (10) days written notice to the department.

Sec. 50. Action on Bond. If such judgment, rendered against the principal on such bond, shall not be satisfied within thirty (30) days after it has become final, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action or actions in the name of the state against the company executing such bond.

Sec. 51. Money or Securities as Proof. Proof of financial responsibility may be evidenced by the certificate from the treasurer that the person named therein has deposited with him twenty-five thousand (\$25,000.00) dollars in cash, or securities, such as may legally be purchased by savings banks or for trust funds or a market value of twenty-five thousand (\$25,000.00) dollars. The Treasurer shall not accept any such deposit and issue a certificate therefor and the department shall not accept such certificate unless accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the recording district where the depositor resides.

Sec. 52. Application of Deposit. Such deposit shall be held by the Treasurer to satisfy, in accordance with the provisions of this Act, any execution on a judgment issued against such person making the deposit, 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, resulting from the ownership, maintenance, use or operation of a vehicle of a type subject to registration under the laws of this state after such deposit was made.

Money or securities so deposited shall not be subject to attachment or execution unless such attachment or execution shall arise out of a suit for damages as aforesaid.

Sec. 53. Owner May Give Proof for Others.

(1) The owner of a motor vehicle may give proof of financial responsibility on behalf of his employee or a member of his immediate family or household in lieu of the furnishing of proof by any said person. The furnishing of such proof shall permit such person to operate only a motor vehicle covered by such proof. The department shall endorse appropriate restrictions on the face of the license held by such person, or may issue a new license containing such restrictions.

(2) The department, upon receiving satisfactory evidence of the violation of such restriction, may suspend said license until a certificate is filed showing a policy issued to the driver, which policy covers the driver as operator or owner of the vehicle operated in violation of the restriction.

Sec. 54. Substitution of Proof. The department shall consent to the cancellation of any bond or certificate of insurance or the department shall direct and the treasurer shall return any money or securities to the person entitled thereto upon the substitution and acceptance of other adequate proof of financial responsibility pursuant to this Act.

Sec. 55. Other Proof May Be Required. Whenever any proof of financial responsibility filed under the provisions of this Act no longer fulfills the purposes for which required, the department shall, for the purpose of this Act, require other proof as required by this Act and shall suspend the license pending the filing of such other proof.

Sec. 56. Duration of Proof: When Proof May Be Canceled or Returned.

(1) The department shall upon request consent to the immediate cancellation of any bond or certificate of insurance, or the department shall direct and the treasurer shall return to the person entitled thereto any money or securities

deposited pursuant to this Act as proof of financial responsibility, or the department shall waive the requirement of filing proof, in any of the following events:

(a) At any time after three (3) years from the date of such proof was required when, during the three-year period preceding the request, the department has not received record of a conviction or a forfeiture of bail which would require or permit the suspension or revocation of the license or registration of the person by or for whom such proof was furnished; or

(b) In the event of the death of the person on whose behalf such proof was filed or the permanent incapacity of such person to operate a motor vehicle; or

(c) In the event the person who has given proof surrenders his license to the department;

(2) Provided, however, that the department shall not consent to the cancellation of any bond or the return of any money or securities in the event any action for damages upon a liability covered by such proof is then pending or any judgment upon any such liability is then unsatisfied, or in the event the person who has filed such bond or deposited such money or securities has within one (1) year immediately preceding such request been involved as a driver or owner in any motor-vehicle accident resulting in injury or damage to the person or property of others. An affidavit of the applicant as to the non-existence of such facts, or that he has been released from all of this liability, or has been finally adjudicated not to be liable, for such injury or damage, shall be sufficient evidence thereof in the absence of evidence to the contrary in the records of the department.

(3) Whenever any person, whose proof has been canceled or returned under subdivision (c) of this section applies for a license within a period of three (3) years from the date proof was originally required, any such application shall be refused unless the applicant shall re-establish such proof for the remainder of such three-year period.

Sec. 57. Transfer of Registration to Defeat Purpose of Act Prohibited.

(1) If an owner's registration has been suspended hereunder, such registration shall not be transferred nor the vehicle in respect to which such registration was issued be registered in any other name until the department is satisfied that such transfer of registration is proposed in good faith and not for the purpose or with the effect of defeating the purposes of this Act.

(2) Nothing in this section shall in anywise affect the rights of any conditional vendor, chattel mortgagee or lessor of such a vehicle registered in the name of another as owner who becomes subject to the provisions of this Act.

(3) The department shall suspend the registration of any vehicle transferred in violation of the provisions of this section.

Sec. 58. Surrender of License and Registration: False Affidavits.

(1) Any person whose license or registration shall have been suspended under any provision of this Act, or whose policy of insurance or bond, when required under this Act, shall have been canceled or terminated, shall immediately return his license or registration to the department. If any person shall fail to return to the department the license or registration as provided herein, the department shall forthwith direct any peace officer to secure possession thereof and to return the same to the department.

(2) Any person wilfully failing to return license or registration as required in paragraph (1) of this section or who knowingly gives a false affidavit where required by this Act shall be fined not more than five hundred (\$500.00) dollars or imprisoned not to exceed thirty (30) days, or both.

Sec. 59. Forged Proof. Any person who shall forge, or, without authority, sign any evidence of proof of financial responsibility for the future, or who files or offers for filing any such evidence of proof knowing or having reason to believe that it is forged or signed without

authority, shall be fined not more than one thousand (\$1,000.00) dollars or imprisoned for not more than one (1) year or both.

Sec. 60. Assigned Risk Plans. After consultation with the insurance companies authorized to issue automobile liability policies in this state the commissioner of insurance shall approve a reasonable plan or plans, fair to the insurers and equitable to their policyholders, for the apportionment among such companies of applicants for such policies and for motor-vehicle liability policies who are in good faith entitled to but are unable to procure such policies through ordinary methods. When any such plan has been approved, all such insurance companies shall subscribe thereto and participate therein. Any applicant for any such policy, any person insured under any such plan, and any insurance company affected, may appeal to the commissioner of insurance from any ruling or decision of the board or committee designated to operate such plan. Failure to adopt an assigned risk plan shall not relieve any person from responsibility under this Act.

Sec. 61. Past Application of Act. This Act shall not apply with respect to any accident, or judgment arising therefrom, or violation of the motor-vehicle laws of this state, occurring prior to the effective date of this Act.

Sec. 62. Act Not to Prevent Other Process. Nothing in this Act shall be construed as preventing the plaintiff in any action at law from relying for relief upon the other processes provided by law.

Sec. 63. Provisions of Act Applying Throughout State. The provisions of this Act shall apply upon highways and elsewhere throughout the state.

Sec. 64. Constitutionality. If any part or parts of this Act shall be held to be unconstitutional, such unconstitutionality shall not affect the validity of the remaining parts of this Act. The Legislature hereby declares that it would have passed the remaining parts of this Act if it had known that such part or parts thereof would be declared unconstitutional.

Sec. 65. Administrative Procedures Act. The Administrative Procedures Act shall fully apply to this Act including all rule making and hearings and appeals.

Sec. 66. Time of Taking Effect. This Act shall take effect from and after the first day of September, 1959.

Approved May 2, 1959

CHAPTER 164

AN ACT

Repealing statutory authority for U. S. Commissioners to license, regulate, and fix the rates of ferries operating within the state; repealing Chapter 4, Title 41, ACLA 1949; and providing for an effective date.

(C.S.H.B. 214)

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

fixing on ferries operated within Alaska.

Section 1. Ferry Licenses. It is the intent of the Legislature to repeal all statutory authority granted by Territorial legislatures to U. S. Commissioners for licensing, regulating and rate

Sec. 2. Repeal. Chapter 4, Title 41, ACLA 1949, is hereby repealed.

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

Approved May 2, 1959

CHAPTER 165

AN ACT

To appropriate the sum of \$135,000 out of monies in the General Fund for transfer into the Aeronautical Revolving Fund; and providing for an effective date.

(H.B. 222)

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

otherwise appropriated, for transfer into the Aeronautical Revolving Fund.

Section 1. The sum of \$135,000 is hereby appropriated out of any monies in the General Fund of the State of Alaska not

Sec. 2. This Act shall take effect immediately upon its passage and approval or upon its becoming law without such approval.

Approved May 2, 1959

CHAPTER 166

AN ACT

Amending the uniform procedure of assessing, levying and collecting, including the foreclosure of, taxes among political subdivisions in Alaska with taxing authority; providing for the repurchase of tax foreclosed property by former record owner or his assigns; amending Secs. 42, 45, and 54 of Ch. 174, SLA 1957; and providing for an effective date.

(H.B. 60)