

Introduced: 4/23/79  
Referred: Commerce

BY THE COMMERCE COMMITTEE  
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 274

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle safety responsi-  
7 bility; and providing for an effective date."

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

9 \* Section 1. AS 28.10.041 is amended by adding a new subsection to read:

10 (c) The department shall refuse to register a vehicle if the  
11 applicant fails to furnish the required proof of financial responsi-  
12 bility.

13 \* Sec. 2. AS 28.20.010 is amended to read:

14 Sec. 28.20.010. DECLARATION OF PURPOSE. The legislature is con-  
15 cerned over the rising toll of motor vehicle accidents and the suffering  
16 and loss inflicted by them. The legislature determines that it is a  
17 matter of grave concern that motorists be financially responsible for  
18 their negligent acts so that innocent victims of motor vehicle accidents  
19 may be recompensed for the injury and financial loss inflicted upon  
20 them. The legislature finds and declares that the public interest can  
21 best be served by the requirements that the operator of a motor vehicle  
22 [INVOLVED IN AN ACCIDENT RESPOND FOR DAMAGES AND] show proof of finan-  
23 cial ability to respond for damages [IN FUTURE ACCIDENTS] as a pre-  
24 requisite to his exercise of the privilege of operating a motor vehicle  
25 in the state.

26 \* Sec. 3. AS 28.20.050 is repealed and re-enacted to read:

27 Sec. 28.20.050. APPLICATION OF CHAPTER. The provisions of this  
28 chapter apply to the driver and owner of every motor vehicle driven or  
29 moved upon a highway, except those vehicles exempt from registration

1 under AS 28.10.011.

2 \* Sec. 4. AS 28.20.325 is amended to read:

3 Sec. 28.20.325. EXCEPTION FOR BUSINESS RELATIONSHIP. If the dri-  
4 ver at the time of an accident was driving, in the course and scope of  
5 his employment, a vehicle owned, operated or leased by his employer, the  
6 [SECURITY DEPOSIT,] proof of financial [FUTURE] responsibility and  
7 suspension provisions of this chapter apply to the employer and to the  
8 vehicles owned by him or registered under his name and do not apply to  
9 the driver.

10 \* Sec. 5. AS 28.20.330(a) is amended to read:

11 (a) If a person has an unsatisfied judgment against him requiring  
12 suspension under AS 28.20.270, his license or nonresident's operating  
13 privilege shall remain suspended and shall not be renewed, nor shall a  
14 license or registration be issued in the name of the person, including a  
15 person not previously licensed, until the judgment is stayed or satis-  
16 fied and until the person gives proof of financial responsibility sub-  
17 ject to the exceptions in AS 28.20.320 [AS 28.20.310 - 28.20.320, and  
18 28.20.370].

19 \* Sec. 6. AS 28.20.410 is amended to read:

20 Sec. 28.20.410. CERTIFICATE OF INSURANCE AS PROOF. Proof of  
21 financial responsibility [FOR THE FUTURE] may be furnished by filing  
22 with the department the written certificate of an insurance carrier  
23 authorized to do business in this state certifying that there is in  
24 effect a motor vehicle liability policy for the benefit of the person  
25 required to furnish proof of financial responsibility. The certificate  
26 shall give the effective date of the motor vehicle liability policy,  
27 which shall be the same as the effective date of the certificate, and  
28 shall designate by description or appropriate reference all vehicles  
29 covered by it, unless the policy is issued to a person who is not the

1 owner of a motor vehicle.

2 \* Sec. 7. AS 28.20.440(a) is amended to read:

3 (a) In this chapter, "motor vehicle liability policy" means an  
4 "owner policy" or an "operator's policy" containing an agreement or  
5 endorsement as provided in this section, or certified as provided in  
6 AS 28.20.410 or 28.20.420 as proof of financial responsibility [FOR THE  
7 FUTURE], and issued, except as otherwise provided in AS 28.20.420, by an  
8 insurance carrier authorized to transact business in this state, to or  
9 for the benefit of the person named as insured.

10 \* Sec. 8. AS 28.20.440(f)(1) is repealed and re-enacted to read:

11 (1) Coverage provided by a motor vehicle liability policy may  
12 not be cancelled after the beginning of the policy period.

13 \* Sec. 9. AS 28.20.440(f) is amended by adding a new paragraph to read:

14 (5) Payment for coverage provided by a motor vehicle liability  
15 policy must be paid in full by the owner or operator before the  
16 beginning of the policy period.

17 \* Sec. 10. AS 28.20.470 is amended to read:

18 Sec. 28.20.470. BOND AS PROOF. Proof of financial responsibility  
19 may be evidenced by the bond of a surety company authorized to transact  
20 business in this state. The bond shall be conditioned for payment of  
21 the amounts specified in AS 28.20.440 [AS 28.20.230]. The bond shall be  
22 filed with the department and shall not be cancellable except after 10  
23 days' written notice to the department.

24 \* Sec. 11. AS 28.20.540(c) is amended to read:

25 (c) Whenever a person [,] whose proof has been cancelled or re-  
26 turned under (a)(3) of this section applies for a license [WITHIN A  
27 PERIOD OF THREE YEARS FROM THE DATE PROOF WAS ORIGINALLY REQUIRED], the  
28 application shall be refused unless the applicant reestablishes the  
29 proof [FOR THE REMAINDER OF THE THREE-YEAR PERIOD].

1 \* Sec. 12. AS 28.20.570 is amended to read:

2       Sec. 28.20.570. FORGED PROOF. A person who forges or, without  
3 authority, signs any evidence of proof of financial responsibility [FOR  
4 THE FUTURE], or who files or offers for filing evidence of proof of  
5 financial responsibility [FOR THE FUTURE], knowing or having reason to  
6 believe that it is forged or signed without authority, commits a class  
7 A misdemeanor [IS PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000, OR BY  
8 IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY BOTH].

9 \* Sec. 13. AS 28.20 is amended by adding a new section to read:

10       Sec. 28.20.575. OPERATION OF MOTOR VEHICLE WITHOUT PROOF. A  
11 person required to have proof of financial responsibility who operates a  
12 motor vehicle in violation of this chapter commits a class B misde-  
13 meanor.

14 \* Sec. 14. AS 21.39.155(a) is amended to read:

15       (a) The director may require carriers, as a condition of writing a  
16 line of insurance dealing with workmen's compensation or coverage pro-  
17 vided by motor vehicle liability policies under AS 28.20.440, to parti-  
18 cipate in an assigned risk pool if the director finds that mandatory  
19 carrier participation is in the public interest.

20 \* Sec. 15. AS 28.20.060 - 28.20.260, 28.20.300, 28.20.310, 28.20.340,  
21 28.20.370, 28.20.380, 28.20.540(a)(1), 28.20.550, and 28.20.590 are repealed.

22 \* Sec. 16. This Act takes effect January 1, 1980.