

Offered: 4/25/83  
Referred: Judiciary and Finance

Original sponsors: Hayes, Barnes,  
Phillips, et al

1 IN THE HOUSE BY THE LABOR AND  
AND COMMERCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 7 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicles; and providing for  
7 an effective date."

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

9 \* Section 1. DECLARATION OF PURPOSE. The legislature is concerned over  
10 the rising toll of motor vehicle accidents and the suffering and loss in-  
11 flicted by them. The legislature determines that it is a matter of grave  
12 concern that motorists be financially responsible for their negligent acts  
13 so that innocent victims of motor vehicle accidents may be recompensed for  
14 the injury and financial loss inflicted upon them. The legislature finds  
15 and declares that the public interest can best be served by the requirement  
16 that the owner of a motor vehicle be required to furnish evidence of the  
17 existence of a motor vehicle liability policy issued in conformity with  
18 AS 28.22.010 when the vehicle registration is made or renewed as a pre-  
19 requisite to the exercise of the privilege of registering and operating a  
20 motor vehicle in the state.

21 \* Sec. 2. AS 28.10.011 is amended by adding a new paragraph to read:

22 (12) a mobile home as defined in AS 45.30.100.

23 \* Sec. 3. AS 28.10.011 is amended by adding a new subsection to read:

24 (b) An owner of a vehicle may not register a vehicle in the  
25 state and may not renew the registration of a vehicle in the state  
26 without providing evidence satisfactory to the department of the  
27 existence of a motor vehicle liability policy that complies with  
28 AS 28.22.010.

29 \* Sec. 4. AS 28.10.021 is amended by adding a new subsection to read:

1 (b) A certificate of registration may not be issued under this  
2 section unless the owner complies with AS 28.10.011(b).

3 \* Sec. 5. AS 28.10.111 is amended by adding a new subsection to read:

4 (c) The department may not renew the registration of a vehicle  
5 under this section unless the owner complies with AS 28.10.011(b).

6 \* Sec. 6. AS 28.10.201(b) is amended to read:

7 (b) The owner of a vehicle described in AS 28.10.011 as being  
8 exempt from registration and the owner of a snowmobile or off-highway  
9 vehicle may not apply for, nor may the department issue, a certificate  
10 of title for such a vehicle. However, the department may issue a  
11 certificate of title to the owner of a vehicle exempt from registra-  
12 tion under AS 28.10.011(3), (6), (7), (11) and (12), [28.10.011(6)]  
13 upon application by that owner.

14 \* Sec. 7. AS 28.15.011 is amended by adding a new subsection to read:

15 (d) Under this section a person's driver's license may be issued  
16 or renewed only on presentation of evidence satisfactory to the de-  
17 partment of the existence of a motor vehicle liability policy that  
18 complies with AS 28.22.010 for all motor vehicles owned by the person.  
19 A person who is the owner of a motor vehicle registered in another  
20 jurisdiction may be issued a driver's license only on presentation of  
21 evidence satisfactory to the department of the existence of a liabil-  
22 ity policy that provides coverage equivalent to that required by  
23 AS 28.22.010 for that person's operation of a motor vehicle.

24 \* Sec. 8. AS 28.15.011 is amended by adding a new subsection to read:

25 (e) The department shall suspend the driver's license of a  
26 person when the department is advised that the person's coverage is  
27 terminated and there has been no written response by the person to a  
28 written thirty-day notice by the department.

29 \* Sec. 9. AS 28.15.081(a) is amended to read:

1           (a) The department shall examine every applicant for a driver's  
2 license. The examination shall include (1) a test of the applicant's  
3 eyesight, (2) a test of the applicant's (HIS) ability to read and  
4 understand official traffic control devices, (3) the applicant's (HIS)  
5 knowledge of safe driving practices, (4) the applicant's knowledge of  
6 the effects of alcohol and drugs on drivers and the dangers of driving  
7 under the influence of alcohol or drugs, (5) the applicant's knowledge  
8 of laws relating to driving while intoxicated, (6) the applicant's  
9 knowledge of laws relating to financial responsibility, and the traf-  
10 fic laws and regulations of this state. The examination [, AND] and  
11 may include a demonstration of ability to exercise ordinary and rea-  
12 sonable control in the driving of a motor vehicle of the type and  
13 general class of vehicles for which the applicant seeks a license.  
14 However, an applicant who has not been previously issued a driver's  
15 license by this or another jurisdiction must demonstrate [HIS] abil-  
16 ity, and must present medical information that [WHICH] the department  
17 reasonably requires to determine [HIS] fitness to safely drive a motor  
18 vehicle of the type and general class of vehicles for which the appli-  
19 cant [HE] seeks a license.

20 \* Sec. 10. AS 28.20.070(a) is amended to read:

21           (a) No policy or bond is effective under AS 28.20.060 unless it  
22 is issued by an insurance company or surety company authorized to do  
23 business in this state, except as provided in (b) of this section, and  
24 if the accident resulted in bodily injury or death, unless the policy  
25 or bond is subject to a limit, exclusive of interest and costs, of not  
26 less than \$100,000 [\$25,000] because of bodily injury to or death of  
27 one person in any one accident and, subject to the same limit for one  
28 person, to a limit of not less than \$300,000 [\$50,000] because of  
29 bodily injury to or death of two or more persons in any one accident,

1 and if the accident has resulted in injury to, or destruction of,  
2 property to a limit of not less than \$50,000 [\$10,000] because of  
3 injury to or destruction of property of others in any one accident.

4 \* Sec. 11. AS 28.20.230(b) is amended to read:

5 (b) The term "proof of financial responsibility for the future"  
6 as used in this chapter means proof of ability to respond in damages  
7 for liability, on account of an accident occurring after the effective  
8 date of proof, which arises out of the ownership, maintenance or use  
9 of a vehicle subject to registration under the laws of this state, in  
10 the amount of \$100,000 [\$25,000] because of bodily injury to or death  
11 of one person in any one accident, and, subject to the same limit for  
12 one person, in the amount of \$300,000 [\$50,000] because of bodily  
13 injury to or death of two or more persons in any one accident, and in  
14 the amount of \$50,000 [\$10,000] because of injury to or destruction of  
15 property of others in any one accident. As used in this chapter the  
16 terms "proof of financial responsibility" or "proof" mean proof of  
17 financial responsibility for the future.

18 \* Sec. 12. AS 28.20.360(a) is amended to read:

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

21 (1) \$100,000 [\$25,000] is credited upon a judgment given in  
22 excess of that amount because of bodily injury to or death of one  
23 person as the result of any one accident; or

24 (2) subject to the limit of \$100,000 [\$25,000] because of  
25 bodily injury to or death of one person, the sum of \$300,000 [\$50,000]  
26 is credited upon a judgment given in excess of that amount because of  
27 bodily injury to or death of two or more persons as the result of any  
28 one accident; or

29 (3) \$50,000 [\$10,000] is credited upon a judgment given in

1 excess of that amount because of injury to or destruction of property  
2 of others as a result of any one accident.

3 \* Sec. 13. AS 28.20.440(b)(2) is amended to read:

4 (2) insure the person named and every other person using  
5 the vehicle with the express or implied permission of the named insur-  
6 ed, against loss from the liability imposed by law for damages arising  
7 out of the ownership, maintenance or use of the vehicle within the  
8 United States of America or the Dominion of Canada, subject to limits  
9 exclusive of interests and costs, with respect to each vehicle, as  
10 follows: \$100,000 [\$25,000] because of bodily injury to or death of  
11 one person in any one accident, and, subject to the same limit for one  
12 person, \$300,000 [\$50,000] because of bodily injury to or death of two  
13 or more persons in any one accident, and \$50,000 [\$10,000] because of  
14 injury to or destruction of property of others in any one accident;

15 \* Sec. 14. AS 28.20.440(b)(3) is amended to read:

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

24 \* Sec. 15. AS 28.20.440 is amended by adding new subsections to read:

25 (1) The insurance carrier shall provide notice to the department  
26 of the termination of coverage commenced during the preceding 180 days  
27 under (a) of this section within 10 days of actual knowledge of the  
28 termination or written notice of intent to terminate. The department  
29 may notify the insurance carrier of a person with previous policy

1 abuses and require notice of termination of coverage for the person  
2 after the person is given an opportunity for a department hearing. If  
3 the person whose coverage terminates fails to provide the department  
4 with evidence satisfactory to it of the existence of a motor vehicle  
5 liability policy issued in conformity with this section, the depart-  
6 ment shall suspend the driver's license and all registration certifi-  
7 cates and registration plates issued to the owner of the motor vehicle  
8 until the owner has complied with this section.

9 (m) The insurance carrier authorized to transact business in the  
10 state who issues a motor vehicle liability policy to the owner of a  
11 motor vehicle under this section shall provide the owner with a card  
12 indicating the existence of the policy. The operator of the vehicle  
13 shall at all times carry in the motor vehicle the card indicating the  
14 existence of the policy.

15 \* Sec. 16. AS 28.20.490 is amended to read:

16 Sec. 28.20.490. MONEY OR SECURITIES AS PROOF. Proof of finan-  
17 cial responsibility may be evidenced by the deposit of \$100,000  
18 [\$25,000] in cash, or securities which are legal investments for  
19 saving banks or trust funds having a market value of \$100,000  
20 [\$25,000]. The department shall not accept a deposit unless accom-  
21 panied by evidence that there are no unsatisfied judgments of any  
22 character against the depositor in the recording district where the  
23 depositor resides.

24 \* Sec. 17. AS 28 is amended by adding a new chapter to read:

25 CHAPTER 22. MOTOR VEHICLE LIABILITY INSURANCE.

26 Sec. 28.22.010. MOTOR VEHICLE LIABILITY POLICY. (a) In AS 28.-  
27 10.011 and this chapter "motor vehicle liability policy" means an  
28 "owner policy" or an "operator's policy" containing an agreement or  
29 endorsement as provided in this section and issued by an insurance

1 carrier authorized to transact business in the state to or for the  
2 benefit of the person named as insured.

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

4 (1) designate by description or appropriate reference all  
5 vehicles that it covers;

6 (2) insure the person named and every other person using  
7 the vehicle with the express or implied permission of the named insur-  
8 ed, against loss from the liability imposed by law for damages arising  
9 out of the ownership, maintenance, or use of the vehicle in the United  
10 States or the Dominion of Canada, subject to limits exclusive of  
11 interests and costs, with respect to each vehicle, as follows:

12 (A) \$100,000 because of bodily injury to or death of  
13 one person in any one accident, and, subject to the same limit  
14 for one person, \$300,000 because of bodily injury to or death of  
15 two or more persons in any one accident; and

16 (B) \$50,000 because of injury to or destruction of  
17 property of others in any one accident;

18 (3) contain coverage in the amounts set out in (2) of this  
19 subsection for the protection of the persons insured under the policy  
20 who are legally entitled to recover damages from the owner or operator  
21 of an uninsured or underinsured motor vehicle because of property  
22 damage or bodily injury or death, or damage to or destruction of  
23 property arising out of the ownership, maintenance, or use of the  
24 uninsured or underinsured motor vehicle, except that this coverage or  
25 part of it may be waived in writing by the insured on or before the  
26 effective date of the policy.

27 (c) The operator's policy of liability insurance shall insure  
28 the person named as insured against loss from the liability imposed on  
29 the operator by law for damages arising out of the use by the operator

1 of a motor vehicle not owned by the operator, within the same territo-  
2 rial limits and subject to the same limits of liability as are re-  
3 quired for an owner's policy of liability insurance.

4 (d) The motor vehicle liability policy shall state the name and  
5 address of the named insured, the coverage, the premium charges, the  
6 policy period and the limits of liability, and shall contain an agree-  
7 ment or an endorsement that insurance is provided in accordance with  
8 the coverage defined in (b)(2) of this section for bodily injury and  
9 death or property damage, or both.

10 (e) The motor vehicle liability policy need not insure liability  
11 under a workers' compensation law nor liability for damage to property  
12 owned by, rented to, in charge of, or transported by the insured.

13 (f) Every motor vehicle liability policy is subject to the  
14 following provisions but these provisions need not be contained in the  
15 policy:

16 (1) The liability of the insurance carrier becomes absolute  
17 whenever injury or damage covered by the policy occurs. The policy  
18 may not be cancelled or annulled as to this liability after the occur-  
19 rence of the injury or damage. No statement made by the insured or on  
20 behalf of the insured and no violation of the policy defeats or voids  
21 the policy.

22 (2) The satisfaction by the insured of a judgment for  
23 injury or damages is not a condition precedent to the right or duty of  
24 the insurance carrier to make payment on account of injury or damage.

25 (3) The insurance carrier may settle a claim covered by the  
26 policy, and if settlement is made in good faith, the amount of settle-  
27 ment is deductible from the limits of liability specified in (b) of  
28 this section.

29 (4) The policy, the written application for the policy, if

1 any, and every rider or endorsement that does not conflict with the  
2 provisions of this chapter constitute the entire contract between the  
3 parties.

4 (g) A policy that grants the coverage required for a motor  
5 vehicle liability policy may also grant lawful coverage in excess of  
6 or in addition to the coverage specified for a policy and the excess  
7 or additional coverage is not subject to the provisions of this chap-  
8 ter. With respect to a policy that grants excess or additional cover-  
9 age the term "motor vehicle liability policy" applies only to that  
10 part of the coverage that is required by this section.

11 (h) A motor vehicle liability policy may provide that the in-  
12 sured shall reimburse the insurance carrier for any payment the insur-  
13 ance carrier would not have been obligated to make under the terms of  
14 the policy except for the provisions of this chapter.

15 (i) A motor vehicle liability policy may provide for proration  
16 of the insurance with other valid and collectible insurance.

17 (j) The requirements for a motor vehicle liability policy may be  
18 fulfilled by the policies of one or more insurance carriers who to-  
19 gether meet the requirements.

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

22 (l) The insurance carrier shall provide notice to the department  
23 of the termination of coverage commenced during the preceding 180 days  
24 under (a) of this section within 10 days of actual knowledge of the  
25 termination or written notice of intent to terminate. The department  
26 may notify the insurance carrier of a person with previous policy  
27 abuses and require notice of termination of coverage for the person  
28 after the person is given an opportunity for a department hearing. If  
29 the person whose coverage terminates fails to provide the department

1 with evidence satisfactory to it of the existence of a motor vehicle  
2 liability policy issued in conformity with this section, the depart-  
3 ment shall suspend the driver's license and all registration certifi-  
4 cates and registration plates issued to the owner of the motor vehicle  
5 until the owner has complied with this section.

6 (m) The insurance carrier authorized to transact business in the  
7 state who issues a motor vehicle liability policy to the owner of a  
8 motor vehicle under this section shall provide the owner with a card  
9 indicating the existence of the policy. The operator of the vehicle  
10 shall at all times carry in the motor vehicle the card indicating the  
11 existence of the policy.

12 Sec. 28.22.020. REQUIREMENTS OF POLICY. (a) A policy is not  
13 effective under AS 28.22.010 unless it is issued by an insurance  
14 company or surety company authorized to do business in this state,  
15 except as provided in (b) of this section, and unless it complies with  
16 the limit requirements established in AS 28.22.010(b)(2).

17 (b) A policy is not effective under AS 28.22.010 with respect to  
18 a vehicle not registered in the state or a vehicle that was registered  
19 in another jurisdiction at the effective date of the policy or the  
20 most recent renewal of it, unless the insurance or surety company  
21 issuing the policy is authorized to do business in the state, or if  
22 the company is not authorized to do business in the state, unless it  
23 executes a power of attorney authorizing the director of the division  
24 of insurance to accept service on its behalf of notice or process in  
25 an action upon the policy arising out of the accident.

26 Sec. 28.22.500. DRIVING VEHICLE WITHOUT EVIDENCE OF MOTOR VEHI-  
27 CLE LIABILITY POLICY. (a) A person may not drive or move nor may an  
28 owner knowingly permit to be driven or moved on a highway or vehicular  
29 way or area a vehicle required to be insured under a motor vehicle

1 liability policy that complies with AS 28.22.010 unless a motor vehi-  
2 cle liability policy is in effect for the motor vehicle.

3 (b) If a peace officer has probable cause to believe a motor  
4 vehicle was used in the commission of an offense under (a) of this  
5 section, a citation will be issued as prescribed in AS 28.05.151 for a  
6 bail amount of not less than \$250. The charge and fine will be dis-  
7 missed and bail amount refunded if evidence is presented to the court  
8 within five days showing insurance policy coverage as required by  
9 AS 28.22.010 was in effect at the time the citation was issued.

10 (c) A person who violates (a) of this section commits a class B  
11 misdemeanor. The court shall impose a fine of not less than \$250 and  
12 may impose up to the maximum fine established by AS 12.55.035 for a  
13 person convicted of a class B misdemeanor. The court may not suspend  
14 the minimum fine imposed under this subsection. Imposition of a  
15 sentence imposed under AS 12.55.135 may not be suspended except upon  
16 the condition that the fine is paid in accordance with AS 12.55.-  
17 051(a).

18 (d) In addition to the sanctions for a violation of (a) of this  
19 section established by (b) of this section, the court shall impose the  
20 following sanctions on a person who is convicted of violating (a) of  
21 this section:

22 (1) For a person not previously convicted of an offense  
23 under (a) of this section;

24 (A) suspension of that person's driver's license for  
25 up to 30 days;

26 (B) suspension of the registration of the subject  
27 motor vehicle until proof of compliance with AS 28.10.011 is  
28 furnished to the department.

29 (2) For a person once previously convicted of an offense

1 under (a) of this section within 10 years;

2 (A) suspension of that person's driver's license  
3 without limited license privileges for a minimum of 30 days and  
4 up to 90 days;

5 (B) suspension of the registration of the subject  
6 motor vehicle which will be impounded for a minimum of 90 days  
7 and thereafter until proof of compliance with AS 28.10.011 is  
8 furnished to the department. A motor vehicle may not be im-  
9 pounded under this section until an opportunity for a judicial  
10 hearing is allowed any person indicated on the vehicle certifi-  
11 cate of title or who has a lien interest in the motor vehicle.

12 (3) For a person twice or more previously convicted of an  
13 offense under (a) of this section within 10 years;

14 (A) suspension of that person's driver's license  
15 without limited license privileges for a minimum of 90 days and  
16 up to one year;

17 (B) forfeiture of the person's motor vehicle under  
18 AS 28.22.520.

19 Sec. 28.22.510. IMPOUNDMENT OF MOTOR VEHICLE; EXCEPTIONS. (a)

20 If a peace officer has probable cause to believe a motor vehicle was  
21 used in the commission of an offense under AS 28.22.500, that motor  
22 vehicle may be impounded by the peace officer or released to a person  
23 with a right to possess the vehicle. When the motor vehicle is re-  
24 leased under (c) or (d) of this section, the owner or person with the  
25 right to possess the motor vehicle shall pay the necessary costs of  
26 impounding and storing the vehicle before it may be released.

27 (b) Impoundment of a motor vehicle under this section is

28 (1) until the owner submits proof of insurance if the driver  
29 has not previously been convicted of violating AS 28.22.500;

1                   (2) minimum of 30 days up to 90 days if the driver has been  
2 once previously convicted of violating AS 28.22.500 within the last 10  
3 years.

4                   (c) Upon impoundment of a motor vehicle under this section a  
5 notice and an opportunity for a hearing under AS 28.05.131 shall be  
6 provided to the driver of the motor vehicle at the time of the im-  
7 poundment, to the person with the right to possess the motor vehicle,  
8 and to any other person who has an ownership interest in the motor  
9 vehicle. The motor vehicle shall be released to the owner or person  
10 with the right to possess the motor vehicle if it is determined after  
11 the hearing that the impoundment was improper or that at the time of  
12 impoundment the motor vehicle was being driven

13                   (1) by a person other than the owner or person with the  
14 right to possess the motor vehicle; and

15                   (2) without the consent of the owner or person with the  
16 right to possess the motor vehicle.

17                   (d) A motor vehicle impounded under this section shall be re-  
18 leased to the owner or person with the right to possess the motor  
19 vehicle if

20                   (1) the driver is not charged within 10 days of impoundment  
21 with an offense under AS 28.22.500 related to the impoundment;

22                   (2) the charge of an offense under AS 28.22.500 related to  
23 the impoundment is dropped or dismissed; or

24                   (3) the driver is acquitted of all offenses under AS 28.-  
25 22.500 related to the impoundment.

26                   (e) If an impounded motor vehicle is not released under (c) or  
27 (d) of this section, a motor vehicle lienholder may repossess for sale  
28 and shall pay the impoundment fee from the sale proceeds.

29                   Sec. 28.22.520. FORFEITURE OF MOTOR VEHICLE. (a) Upon

1 conviction of an offense under AS 28.22.500 the court may order the  
2 forfeiture of the motor vehicle involved in the commission of the  
3 offense if the convicted person was previously convicted twice or more  
4 in this jurisdiction of violating AS 28.22.500 or in another jurisdic-  
5 tion convicted of violating twice or more a statute similar to  
6 AS 28.22.500 within the last 10 years.

7 (b) Upon forfeiture of a motor vehicle the court shall require  
8 the surrender of the registration and certificate of title of that  
9 motor vehicle for delivery by the court to the department.

10 (c) If not released under AS 28.22.530(c), a motor vehicle  
11 forfeited under this section may be disposed of by the department by  
12 sale under AS 09.35.140 - 09.35.180. A motor vehicle lienholder may  
13 make a minimum bid in the amount of the lien.

14 Sec. 28.22.530. REMISSION OF FORFEITURES. (a) Upon ordering  
15 forfeiture of a motor vehicle under AS 28.22.520, the court shall  
16 within five days provide to every person who has an ownership or  
17 security interest in the motor vehicle written notice of the forfei-  
18 ture that includes

- 19 (1) a description of the motor vehicle;
- 20 (2) the time and place of the forfeiture;
- 21 (3) the legal authority under which the motor vehicle was  
22 forfeited;
- 23 (4) notice of the right to file a petition for remission of  
24 interest in the forfeited motor vehicle.

25 (b) Upon receipt of a petition for remission of interest in a  
26 forfeited motor vehicle the court shall hold a hearing on the question  
27 and shall order remission of the interest if the petitioner shows that

- 28 (1) the petitioner has an interest in the motor vehicle  
29 acquired in good faith;

1 (2) a person other than the petitioner was convicted of the  
2 offense that resulted in the forfeiture;

3 (3) before parting with the motor vehicle the owner-peti-  
4 tioner did not know or have reasonable cause to believe that it would  
5 be used in the commission of an offense.

6 (c) An order for remission under this section may provide for

7 (1) reimbursement of the petitioner's interest in the motor  
8 vehicle; or

9 (2) the petitioner's repossession of the motor vehicle and  
10 that petitioner may obtain title to the motor vehicle from the depart-  
11 ment.

12 Sec. 28.22.540. UNUSED MOTOR VEHICLES. A person may terminate  
13 or suspend a motor vehicle liability policy covering a vehicle that is  
14 unused. A person exercising this option shall remove the unused  
15 vehicle plates and deliver them to the nearest department office.  
16 When the vehicle is to be used the person shall present evidence  
17 satisfactory to the department of a motor vehicle liability policy  
18 that complies with AS 28.22.010 covering the vehicle and person, at  
19 which time the department shall reissue vehicle plates to the person.

20 Sec. 28.22.550. ANNUAL REPORT. Beginning in 1986, the Depart-  
21 ment of Commerce and Economic Development shall submit a report to the  
22 legislature no later than February 1 of each year on the administra-  
23 tion of this chapter. The report shall include

24 (1) a review of this chapter's effect on the number of  
25 uninsured motorists before and after it was adopted;

26 (2) the administrative problems and costs of enforcing this  
27 chapter for the courts and involved departments; and

28 (3) the effect of the program on motor vehicle liability  
29 premiums in the state.

1 \* Sec. 18. AS 21.89.020(a) is amended to read:

2 (a) An automobile liability policy that [WHICH] insures an owner  
3 or operator of a motor vehicle against loss resulting from [HIS]  
4 liability for bodily injury or death, or for property injury or de-  
5 struction, or both, which is sold in the state [AFTER JANUARY 1, 1969,  
6 BY AN INSURANCE CARRIER AUTHORIZED TO TRANSACT BUSINESS IN THIS  
7 STATE], shall contain limits in at least the amount prescribed for a  
8 motor vehicle liability policy in AS 28.20.440(b)(2), [AND MEET THE  
9 REQUIREMENTS OF AS 28.20.440(b)(3) UNLESS WAIVED AS PROVIDED IN THAT  
10 PARAGRAPH].

11 \* Sec. 19. Section AS 21.89.020 is amended by adding a new subsection  
12 to read:

13 (c) In addition to the coverages and limits required in (a) of  
14 this section, an insurance company offering automobile liability  
15 insurance in this state shall offer coverage, with limits equal to at  
16 least the limit purchased voluntarily to cover the insured persons  
17 liability, for the protection of the persons insured under the policy  
18 who are legally entitled to recover damages from owners or operators  
19 of uninsured or underinsured motor vehicles. The coverage shall be  
20 offered in four parts, one or more of which may be waived under  
21 AS 28.20.440(b)(3) or AS 28.22.010(b)(3). The parts are:

- 22 (1) uninsured motorists, bodily injury;  
23 (2) uninsured motorists, property damage;  
24 (3) underinsured motorists, bodily injury; and  
25 (4) underinsured motorists, property damage.

26 \* Sec. 20. Section 7 of this Act takes effect January 1, 1985.

27 \* Sec. 21. Except for sec. 7, this Act takes effect July 1, 1984.