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1 IN THE HOUSE BY THE 2d CONFERENCE COMMITTEE
2 CONFERENCE CS FOR HOUSE BILL NO. 7
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND 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
11 inflicted 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 both the owner and operator of a motor vehicle that is to be operated
17 on vehicular ways of the state where the potential for motor vehicle acci-
18 dents is substantial be required to maintain coverage under a motor vehicle
19 liability policy issued in conformity with AS 28.22.010 or through a cer-
20 tificate of self-insurance issued under AS 28.20.400. The legislature also
21 finds and declares that the most economical and practical time to require
22 proof of compliance with insurance coverage is when an operator of a motor
23 vehicle has been involved in an accident or charged with a traffic law
24 violation.

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

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

1 JANUARY 1, 1969, BY AN INSURANCE CARRIER AUTHORIZED TO TRANSACT BUSI-
2 NESS IN THIS STATE], shall contain limits in at least the amount
3 prescribed for a motor vehicle liability policy in AS 28.20.440 and
4 AS 28.22.010 [AS 28.20.440(b)(2), AND MEET THE REQUIREMENTS OF AS 28.-
5 20.440(b)(3) UNLESS WAIVED AS PROVIDED IN THAT PARAGRAPH].

6 * Sec. 3. AS 21.89.020 is amended by adding new subsections to read:

7 (c) An insurance company offering automobile liability insurance
8 in this state for bodily injury or death shall offer coverage pre-
9 scribed in AS 28.20.440 and 28.20.445, or AS 28.22.010 - 28.22.130,
10 with limits equal to at least the limit purchased voluntarily to cover
11 the insured person's liability for bodily injury or death, for the
12 protection of the persons insured under the policy who are legally
13 entitled to recover damages for bodily injury or death from owners or
14 operators of uninsured or underinsured motor vehicles. The limit
15 written may not be less than the limit in AS 28.20.440 or AS 28.22.-
16 010.

17 (d) An insurance company offering automobile liability insurance
18 in this state for injury to or destruction of property shall offer
19 coverage prescribed in AS 28.20.440 and 28.20.445, or AS 28.22.010 -
20 28.22.130, with limits not less than those prescribed in AS 28.20.440
21 or AS 28.22.010, to cover the insured person's liability for injury to
22 or destruction of property, for the protection of the persons insured
23 under the policy who are legally entitled to recover damages for
24 injury to or destruction of the covered motor vehicle from owners or
25 operators of uninsured or underinsured motor vehicles.

26 (e) The coverage required under (c) and (d) of this section may
27 be waived in writing by the insured in whole or in part. After selec-
28 tion of the limits by the insured or the exercise of the option to
29 waive the coverage in whole or in part, the insurer is not required to

1 notify any policy holder in any renewal, supplemental or replacement
2 policy, as to the availability of the coverage or optional limits, and
3 the waived coverage may not be included in any renewal, supplemental
4 or replacement policy. The insured may, at any time, make a written
5 request for additional coverage or coverage more extensive than that
6 provided on a prior policy.

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

8 (b) At the time of application for registration or renewal of
9 registration, the department shall provide the applicant written
10 information explaining the state's financial responsibility law, the
11 mandatory automobile insurance requirement, and potential penalties
12 for failure to comply with the law.

13 * Sec. 5. AS 28.15.061 is amended by adding a new subsection to read:

14 (e) At the time of application for a driver's license or an
15 instruction permit, or renewal of a driver's license or an instruction
16 permit, the department shall provide the applicant written information
17 explaining the state's financial responsibility law, the mandatory
18 automobile insurance requirement, and potential penalties for failure
19 to comply with the law.

20 * Sec. 6. AS 28.15.081(a) is amended to read:

21 (a) The department shall examine every applicant for a driver's
22 license. The examination shall include a test of the applicant's (1)
23 eyesight, (2) ability to read and understand official traffic control
24 devices, (3) knowledge of safe driving practices, (4) knowledge of the
25 effects of alcohol and drugs on drivers and the dangers of driving
26 under the influence of alcohol or drugs, [AND] (5) knowledge of the
27 laws on [RELATING TO] driving while intoxicated, (6) knowledge of the
28 laws on financial responsibility and mandatory automobile liability
29 insurance, and, (7) the traffic laws and regulations of this state.

1 The examination may include a demonstration of ability to exercise
2 ordinary and reasonable control in the driving of a motor vehicle of
3 the type and general class of vehicles for which the applicant seeks a
4 license. However, an applicant who has not been previously issued a
5 driver's license by this or another jurisdiction must demonstrate
6 ability, and must present medical information that the department
7 reasonably requires to determine fitness to safely drive a motor
8 vehicle of the type and general class of vehicles for which the appli-
9 cant seeks a license.

10 * Sec. 7. AS 28.15.211 is amended to read:

11 Sec. 28.15.211. PERIODS OF LIMITATION, SUSPENSION OR REVOCATION;
12 OPPORTUNITY FOR HEARING AND SURRENDER OF LICENSE. (a) Except
13 for a point system suspension or revocation under AS 28.15.221 -
14 28.15.241 and unless provided otherwise by law, and unless the suspen-
15 sion or revocation was for a cause that [WHICH] has been removed, a
16 person whose driver's license or privilege to drive a motor vehicle in
17 this state has been suspended or revoked may not apply for a new
18 license nor may the person's [HIS] driving privilege be restored until
19 the expiration of

20 (1) one month from the date on which the license was sus-
21 pended or revoked for a first conviction of the particular offense
22 from which the suspension or revocation resulted;

23 (2) three months from the date on which the license was
24 suspended or revoked for a second conviction within 12 consecutive
25 months of the same offense from which the suspension or revocation
26 resulted];

27 (3) one year from the date on which the license was sus-
28 pended or revoked for a third or subsequent conviction within 12
29 consecutive months of the same offense from which the suspension or

1 revocation resulted. [; OR]

2 (b) A limitation, suspension, or revocation of a driver's li-
3 cense imposed by a court takes effect on the date of final judgment,
4 except that if another limitation, suspension, or revocation of li-
5 cense is in effect on the date of final judgment, the effective date
6 of the last imposed limitation, suspension, or revocation is at the
7 end of the last day of the previous limitation, suspension, or revoca-
8 tion unless the court specifies otherwise.

9 (c) At the end of a period of suspension or limitation, when
10 that limitation follows a suspension, the person whose license has
11 been suspended or limited may apply to the department and, upon pay-
12 ment of the proper fees, including a reinstatement fee of \$100 [FEE],
13 be issued a duplicate driver's license if the person [HE] is otherwise
14 entitled to the license under this title.

15 (d) At the end of a period of revocation or limitation following
16 a revocation, a person whose driver's license has been revoked may
17 apply to the department for the issuance of a new license, but shall
18 submit to reexamination [RE-EXAMINATION] and pay all required fees
19 including a reinstatement fee of \$100.

20 (e) At the end of a period of limitation, suspension, or revoca-
21 tion under this chapter, the department may not issue a driver's
22 license or a duplicate driver's license to the licensee until the
23 licensee [HE] has complied with AS 28.20 relating to proof of finan-
24 cial responsibility.

25 (f) Unless otherwise provided by law, periods of limitation
26 shall be made at the discretion of the court.

27 * Sec. 8. AS 28.20.070(a) is amended to read:

28 (a) A [NO] policy or bond is not effective under AS 28.20.060
29 unless it is issued by an insurance company or surety company

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

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

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

26 * Sec. 10. AS 28.20.360(a) is amended to read:

27 (a) In [FOR THE PURPOSE OF] this chapter, a judgment is sat-
28 isfied when

29 (1) \$50,000 [\$25,000] is credited upon a judgment given in

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

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

8 (3) \$25,000 [\$10,000] is credited upon a judgment given in
9 excess of that amount because of injury to or destruction of property
10 of others as a result of any one accident.

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

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

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

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

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

1 owners or operators of uninsured or underinsured motor vehicles be-
2 cause of bodily injury or death, or damage to or destruction of prop-
3 erty arising out of the ownership, maintenance or use of the unin-
4 sured or underinsured motor vehicle; this coverage shall comply with
5 the provisions of AS 28.20.445 [, EXCEPT THAT THIS COVERAGE MAY BE
6 WAIVED IN WRITING BY THE INSURED ON OR BEFORE THE EFFECTIVE DATE OF
7 THE POLICY].

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

9 Sec. 28.20.445. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE.

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

15 (b) Amounts payable under the uninsured motorists and under-
16 insured motorists coverage may be reduced by

17 (1) amounts paid or to be paid under any worker's compen-
18 sation law;

19 (2) amounts paid or payable under valid and collectible
20 automobile medical payments insurance or bodily injury or death lia-
21 bility insurance; and

22 (3) amounts paid by or on behalf of the uninsured or under-
23 insured motorist.

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

1 following order of priority, subject to the limit of liability for
2 each applicable policy or coverage:

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

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

7 (3) a policy or coverage covering a motor vehicle not
8 involved in the accident under which the injured person is an insured
9 or a named insured.

10 (d) Uninsured and underinsured motorists coverage does not apply
11 to bodily injury or death or damage to or destruction of property of
12 an insured

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

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

19 (e) Uninsured and underinsured motorists coverage

20 (1) may not apply to bodily injury, sickness, disease or
21 death of an insured or damage to or destruction of property of an
22 insured until the limits of liability of all bodily injury and prop-
23 erty damage liability bonds and policies that apply have been used up
24 by payments, judgments or settlements;

25 (2) shall be a single combined coverage; and

26 (3) may be rejected by the insured in writing; if the
27 insured has rejected the coverage, the coverage shall not be included
28 in any supplemental, renewal, or replacement policy unless the insured
29 subsequently requests the coverage in writing.

1 (f) If both the owner and operator of the uninsured vehicle are
2 unknown, payment under the uninsured and underinsured motorists cover-
3 age shall be made only where direct physical contact between the
4 insured and uninsured or underinsured motor vehicles has occurred. A
5 vehicle that has left the scene of the accident with an insured vehi-
6 cle is presumed to be uninsured if the person insured reports the
7 accident to the appropriate authorities within 24 hours.

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

14 (h) "Underinsured motor vehicle" means a motor vehicle licensed
15 for highway use with respect to the ownership, operation, maintenance
16 or use of which motor vehicle there is a bodily injury or property
17 damage insurance policy or a bond applicable at the time of the acci-
18 dent and the amount of insurance or bond

19 (1) is less than the limit for uninsured and underinsured
20 motorists coverage under the insured's policy; or

21 (2) has been reduced by payments to persons other than an
22 insured, injured in an accident, to less than the limit for uninsured
23 and underinsured motorists coverage under the insured's policy.

24 * Sec. 13. AS 28 is amended by adding a new chapter to read:

25 CHAPTER 22. MOTOR VEHICLE LIABILITY INSURANCE.

26 ARTICLE 1. DESCRIPTION OF GENERAL POLICY PROVISIONS.

27 Sec. 28.22.010. MOTOR VEHICLE LIABILITY POLICY. (a) The
28 owner's policy of liability insurance shall

29 (1) designate by description or appropriate reference all

1 vehicles that it covers;

2 (2) insure the person named against loss from the liability
3 imposed by law for damages arising out of the ownership, maintenance,
4 or use of the vehicle in the United States or Canada, subject to
5 limits exclusive of interest and costs, with respect to each vehicle,
6 as follows:

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

11 (B) \$25,000 because of injury to or destruction of
12 property of others in any one accident;

13 (3) contain coverage prescribed in AS 28.22.100 - 28.22.130
14 in the amounts set out in (2) of this subsection for the protection of
15 the persons insured under the policy who are legally entitled to
16 recover damages from the owner or operator of an uninsured or under-
17 insured motor vehicle because of bodily injury or death, or damage to
18 or destruction of property arising out of the ownership, maintenance,
19 or use of the uninsured or underinsured motor vehicle.

20 (b) The operator's policy of liability insurance shall insure
21 the person named as insured against loss from the liability imposed on
22 the operator by law for damages arising out of the use by the operator
23 of a motor vehicle not owned by the operator, within the same territo-
24 rial limits and subject to the same limits of liability as are re-
25 quired for an owner's policy of liability insurance.

26 (c) The motor vehicle liability policy shall state the name and
27 address of the named insured, the coverage, the premium charges, the
28 policy period, and the limits of liability, and shall contain an
29 agreement or an endorsement that insurance is provided in accordance

1 with the coverage defined in (a) of this section for bodily injury and
2 death or property damage, or both.

3 Sec. 28.22.020. POLICY PROVISIONS THAT ARE IMPLIED. A motor
4 vehicle liability policy is subject to the following provisions but
5 these provisions need not be contained in the policy:

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

9 (2) The insurance carrier may settle a claim covered by the
10 policy, and if settlement is made in good faith, the amount of settle-
11 ment is deductible from the limits of liability specified in AS 28.-
12 22.010.

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

17 Sec. 28.22.030. EXCESS OR ADDITIONAL COVERAGE. (a) A policy
18 that grants the coverage required for a motor vehicle liability policy
19 may also grant lawful coverage in excess of or in addition to the
20 coverage specified for a policy and the excess or additional coverage
21 is not subject to the provisions of this chapter. With respect to a
22 policy that grants excess or additional coverage, the term "motor
23 vehicle liability policy" applies only to that part of the coverage
24 that is required by this chapter.

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

28 Sec. 28.22.040. PRORATION. A motor vehicle liability policy may
29 provide for proration of the insurance with other valid and

1 collectible insurance.

2 Sec. 28.22.050. REQUIREMENTS OF POLICY. (a) A policy is not
3 effective under AS 28.22.010 unless it is issued by an insurance
4 company or surety company authorized to do business in this state,
5 except as provided in (b) of this section, and unless it complies with
6 the limit requirements established in AS 28.22.010.

7 (b) A policy is not effective under AS 28.22.010 with respect to
8 a vehicle not registered in the state or a vehicle that was registered
9 in another jurisdiction on the effective date of the policy or the
10 most recent renewal of it, unless the insurance or surety company
11 issuing the policy is authorized to do business in the state, or if
12 the company is not authorized to do business in the state, unless it
13 executes a power of attorney authorizing the director of the division
14 of insurance to accept service on its behalf of notice or process in
15 an action upon the policy arising out of the accident.

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

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

21 ARTICLE 2. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE.

22 Sec. 28.22.100. GENERAL POLICY PROVISIONS. (a) The uninsured
23 and underinsured motorists coverage required in this chapter

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

28 (2) shall be a single combined coverage; and

29 (3) may be rejected by the insured in writing; if the

1 insured has rejected uninsured or underinsured coverage, the coverage
2 shall not be included in a supplemental, renewal or replacement policy
3 unless the insured subsequently requests uninsured or underinsured
4 coverage in writing.

5 (b) If both the owner and operator of the uninsured vehicle are
6 unknown, payment under the uninsured and underinsured motorists cover-
7 age may be made only where direct contact between the insured and
8 uninsured or underinsured motor vehicles has occurred. A vehicle that
9 has left the scene of the accident with an insured vehicle is presumed
10 to be uninsured if the insured person reports the accident to the
11 appropriate authorities within 24 hours.

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

18 Sec. 28.22.110. MAXIMUM LIABILITY OF CARRIER. (a) The maximum
19 liability of the insurance carrier under the uninsured and underin-
20 sured motorists coverage required under this chapter shall be the
21 difference between the coverage limit of liability and the amount paid
22 to the insured by or on behalf of the uninsured and underinsured
23 motorist.

24 (b) Amounts payable under the uninsured motorists and underin-
25 sured motorists coverage required to be offered under this chapter
26 shall be reduced by

27 (1) amounts paid or to be paid under any workers' compen-
28 sation law;

29 (2) amounts paid or payable under any valid and collectible

1 automobile medical payments insurance or bodily injury or death lia-
2 bility insurance; and

3 (3) amounts paid by or on behalf of the uninsured or under-
4 insured motorist.

5 Sec. 28.22.120. POLICY COVERAGE AND PRIORITIES. If an insured
6 is entitled to uninsured or underinsured motorists coverage under more
7 than one policy of motor vehicle liability insurance, or under more
8 than one coverage if two or more vehicles are insured under one
9 policy, the maximum amount an insured may recover shall not exceed the
10 highest limit of any one policy or coverage. Where multiple policies
11 or coverages apply, payment shall be made in the following order of
12 priority, subject to the limit of liability for each applicable policy
13 or coverage:

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

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

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

21 Sec. 28.22.130. POLICY COVERAGE EXCLUSIONS. The uninsured and
22 underinsured motorists coverage provided for in this chapter does not
23 apply to bodily injury or death or damage to or destruction of prop-
24 erty of an insured

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

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

1 household.

2 ARTICLE 3. PROOF OF INSURANCE REQUIRED.

3 Sec. 28.22.200. MOTOR VEHICLE LIABILITY INSURANCE REQUIRED:
4 EXEMPTIONS. (a) The operator or owner of a motor vehicle subject to
5 registration under AS 28.10.011 when driven on a highway, vehicular
6 way or area, or on other public property in the state, shall have
7 motor vehicle liability insurance that complies with this chapter or a
8 certificate of self-insurance that complies with AS 28.20.400 in
9 effect for the motor vehicle, unless

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

13 (A) the land-connected state highway system, or

14 (B) a highway or vehicular way with an average daily
15 traffic volume greater than 499; and

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

20 (b) The department shall publish annually a list of areas that
21 meet the requirements of (a)(1) of this section. This list shall be
22 available for public inspection at all division of motor vehicle
23 offices in the state.

24 Sec. 28.22.210. REQUIREMENT OF PROOF OF MOTOR VEHICLE LIABILITY
25 INSURANCE. The owner or operator of a motor vehicle required to have
26 motor vehicle liability insurance that complies with this chapter or a
27 certificate of self-insurance that complies with AS 28.20.400, must
28 show proof of this insurance when that person

29 (1) is involved in an accident that results in bodily

1 injury to or death of a person, or damage to the property of a person
2 exceeding \$500; or

3 (2) is charged with a traffic law violation with a demerit
4 point value of six or more on the point schedule determined under
5 regulations adopted by the department under AS 28.15.221.

6 Sec. 28.22.220. METHOD OF PROOF FOLLOWING AN ACCIDENT. (a) A
7 person involved in an accident who is required to prove that a motor
8 vehicle liability insurance or a certificate of self-insurance was in
9 effect under AS 28.22.210 shall, within 15 days of the accident

10 (1) present a copy of the insurance policy, certificate,
11 bond, or insurance binder that was in effect at the time of the acci-
12 dent to the department for inspection;

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

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

20 (b) The department shall develop and implement a program to
21 check the veracity of the documents filed for proof under this sec-
22 tion.

23 Sec. 28.22.230. METHOD OF PROOF FOLLOWING A CHARGE OF A MOVING
24 TRAFFIC VIOLATION. (a) A person charged with a traffic law violation
25 who is required to prove that a motor vehicle liability insurance pol-
26 icy or a certificate of self-insurance was in effect under AS 28.22.-
27 210 shall, at the time of that person's initial appearance in court or
28 within 15 days of the date of the charge of a traffic law violation,
29 whichever is later,

1 (1) present a copy of the insurance policy, certificate,
2 bond, or insurance binder that was in effect at the time of the vio-
3 lation to the court for inspection;

4 (2) provide the court with written certification from an
5 insurance company, insurance agent, insurance broker, or surplus lines
6 broker confirming that motor vehicle liability insurance issued in
7 conformity with this chapter was in effect at the time of the vio-
8 lation; or

9 (3) advise the court in writing that a certificate of
10 self-insurance was in effect at the time the violation was charged.

11 (b) The court shall immediately report to the department any
12 failure to present proof of insurance as provided in this section.

13 Sec. 28.22.240. ADMINISTRATIVE SUSPENSION OF DRIVERS' LICENSES.

14 (a) If a person fails to provide proof that motor vehicle liability
15 insurance or a certificate of self-insurance was in effect at the time
16 of an accident or when the person was charged with a violation of a
17 traffic law described in AS 28.22.210, the department shall suspend
18 the driver's license of that person for the following periods:

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

22 (2) not less than one year if, within the preceding 10
23 years, the person has previously had a driver's license suspended one
24 or more times for violation of AS 23.22.200.

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

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

1 (1) the person has filed proof of financial responsibility
2 for the future as required by AS 28.22.260;

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

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

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

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

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

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

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

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

25 (g) Upon receipt of an oral or written answer from the licensee
26 the department shall make findings on the matter under consideration
27 within 15 days and shall notify the person involved of its decision in
28 writing by certified or registered mail. If the department's decision
29 is to sustain an action against the licensee's driver's license, the

1 department shall notify the licensee of the opportunity for a hearing
2 under AS 28.05.121 - 28.05.141. Suspension of a person's license is
3 stayed until final disposition of the hearing under this section.

4 Sec. 28.22.250. FALSIFICATION OF INFORMATION. A person who
5 provides information required under AS 28.22.210 - 28.22.240 that the
6 person does not believe to be true with the intent to mislead a public
7 servant in the performance of a duty is guilty of a class A misdemean-
8 or.

9 Sec. 28.22.260. PROOF FOR THE FUTURE. (a) A person whose
10 license is suspended under AS 28.22.240 must file proof of financial
11 responsibility for the future under AS 28.20 before full driving
12 privileges may be restored or limited license privileges are granted
13 under AS 28.22.240(c).

14 (b) A filing of proof of financial responsibility under AS 28.20
15 shall be required for a period of three years following expiration of
16 the suspension of license under AS 28.22.240.

17 ARTICLE 4. MISCELLANEOUS PROVISIONS.

18 Sec. 28.22.500. POLICY INTERPRETATION. A provision in this
19 chapter may not be interpreted to prohibit a motor vehicle liability
20 policy from including limitations, conditions, exceptions, exclusions,
21 or other provisions that do not violate the requirements of this
22 chapter or other applicable laws.

23 Sec. 28.22.510. SEPARABILITY. If any provision of this chapter,
24 or the application of a provision of this chapter to any person or
25 circumstance, is held invalid, the remainder of the chapter and the
26 application of the provision to persons or circumstances other than
27 those to which it is held invalid, is not affected.

28 Sec. 28.22.600. DEFINITION. In this chapter, "motor vehicle
29 liability policy" means an owner's policy or an operator's policy

1 containing an agreement or endorsement and issued by an insurance
2 carrier authorized to transact business in the state to or for the
3 benefit of the person named as insured.

4 * Sec. 14. AS 28.35.260(a) is amended by adding a new paragraph to
5 read:

6 (19) "underinsured motor vehicle" means a motor vehicle
7 licensed for highway use with respect to ownership, operation, mainte-
8 nance, or use for which there is a bodily injury or property damage
9 insurance policy or a bond applicable at the time of an accident and
10 the amount of insurance or bond

11 (A) is less than the limit for uninsured and under-
12 insured coverage of the insured's policy; or

13 (B) has been reduced by payments to persons other than
14 an insured, injured in an accident, to less than the limit for
15 uninsured and underinsured coverage of the insured's policy.

16 * Sec. 15. AS 28.20.390(3), 28.20.490, and 28.20.585 are repealed.

17 * Sec. 16. The Department of Public Safety shall conduct a public
18 information campaign designed to educate the public about changes in the
19 motor vehicle code implemented by this Act and the potential penalties for
20 failure to comply.

21 * Sec. 17. AS 28.10.021(b), AS 28.15.061(e), 28.15.081(a)(6), and
22 AS 28.22 and secs. 1 and 16 of this Act are repealed January 1, 1989.

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

24 (a) An automobile liability policy that insures an owner or
25 operator of a motor vehicle against loss resulting from liability for
26 bodily injury or death, or for property injury or destruction, or
27 both, that is sold in the state, shall contain limits in at least the
28 amount prescribed for a motor vehicle liability policy in AS 28.20.440
29 [AND AS 28.22.010].

1 * Sec. 19. AS 21.89.020(c) is amended to read:

2 (c) An insurance company offering automobile liability insurance
3 in this state for bodily injury or death shall offer coverage pre-
4 scribed in AS 28.20.440 and 28.20.445, [OR AS 28.22.010 - 28.22.130,]
5 with limits equal to at least the limit purchased voluntarily to cover
6 the insured person's liability for bodily injury or death, for the
7 protection of the persons insured under the policy who are legally
8 entitled to recover damages for bodily injury or death from owners or
9 operators of uninsured or underinsured motor vehicles. The limit
10 written may not be less than the limit in AS 28.20.440 [OR AS 28.22.-
11 010].

12 * Sec. 20. AS 21.89.020(d) is amended to read:

13 (d) An insurance company offering automobile liability insurance
14 in this state for injury to or destruction of property shall offer
15 coverage prescribed in AS 28.20.440 and 28.20.445, [OR AS 28.22.010 -
16 28.22.130,] with limits not less than those prescribed in AS 28.20.440
17 [OR AS 28.22.010,] to cover the insured person's liability for injury
18 to or destruction of property, for the protection of the persons
19 insured under the policy who are legally entitled to recover damages
20 for injury to or destruction of the covered motor vehicle from owners
21 or operators of uninsured or underinsured motor vehicles.

22 * Sec. 21. Sections 1 - 15 of this Act take effect January 1, 1985.

23 * Sec. 22. Section 16 of this Act takes effect October 1, 1984.

24 * Sec. 23. Sections 18, 19, and 20 of this Act take effect January 1,
25 1989.