

HB

44

HOUSE COMMITTEE REPORT

(11)

Date referred: 4/8/87

FURTHER REFERRALS:

5/15
Rule

DATE: 5-15-87

HB 44

The Finance Committee has considered

"An Act relating to motor vehicle liability insurance and the insurance requirements for obtaining and maintaining motor vehicle registration; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 44 (FIN) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Al Adams

Pat Parnell

Ronald J. Jones

Steve King

Mark Boyer

Steve King

Jay Brown

Mike De...

Al Adams no rec.

Key Wallis

Al Adams

Chairman's signature

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: CSHB 44 (FIN)
Publish Date: _____

Revision Date: _____
Title: re: motor vehicle liability
insurance and vehicle...
Sponsor: Donley
Requestor: House Finance

Agency Affected: Public Safety
BRU: Motor Vehicles

Components: Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		14.9	30.7	31.6		
TRAVEL						
CONTRACTUAL		1.4	2.9	3.0		
SUPPLIES		.3	.4	.4		
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		16.6	34.0	35.0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		16.6	34.0	35.0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL		16.6	34.0	35.0	0	0

POSITIONS:

FULL-TIME		1	1	1		
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Al Adams, Chair *APA*
Division: House Finance Committee

Phone: 465-3706
Date: 5-15-87

Approved by Commissioner: _____
Agency: _____

Date: _____

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 44(Fin)

EXPENDITURES:

The committee substitute requires the person registering a vehicle to certify they have insurance, and will continue to carry the insurance when the vehicle is in operation.

As a result of experience gained from the Emission Inspection Program it is realized the renewal by mail form will not always be adequately completed in regard to certifying insurance is in existence, thus some will need to be returned to the applicant. Of the 412,000 registrations processed in 1986, 110,000 were renewals by mail. It is estimated 10% of the renewals by mail will be incomplete in regard to insurance. The one position requested is to assist the mail-out renewal program. After the program is in operation for a couple years there will be less rejected applications, and the position will no longer be required.

PERSONAL SERVICES:

1 Motor Vehicle Rep. II, Anchorage, 9B	14.9
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CONTRACTUAL:

Postage - 6,250 x \$.22	1.4
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COMMODITIES: -

Envelopes	.2
Other normal office supplies	<u>.1</u>

TOTAL 16.6

The above funding is for one-half year because of effective date of January 1, 1988. A 3% inflation factor was used for FY89 and subsequent years.

REVENUES:

412,000 vehicles were registered in 1986. Revenue increase for FY88 is for one-half year because of effective date of January 1, 1988.
412,000 divided by one-half = 206,000 x \$1.00 fee increase = \$206,000.

A 1% growth factor was used for FY89 and subsequent years.

Position Title Motor Vehicle Representative II			No. of Positions One	Range/Step 9B	Barg. Unit GGU
Time Status PFT	Staff Months 12		Location Anchorage		Election District 7-15
Type of Expenditure			Amount		
1	2	3			
Salary	10,710				
Benefits	4,191				
Premium Pay					
Other					
Total Personal Services		14.9			
Travel					
Contractual			1.4		
Commodities			.3		
Equipment					
Other					
Total Cost			16.6		
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	16.6			
I-A Receipts	1006				
CIP Receipts	1061				
Other					

Justification

Process registration applications received under the mail-out renewal program. Inspect applications returned for completeness. Return applications which are incomplete with instructions on how to correct. Perform data entry for properly completed applications and send renewal registration and tabs to applicant.

Figures are for one-half year because of effective date of January 1, 1988.

**Request For
New Position**

Agency Public Safety
 BRU Motor Vehicles
 Component Field Services

Page 3 of 3
 Revised Date

FY 88

Original sponsors: Donley and Collins

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 44 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle liability insurance
7 and vehicle registration; and providing for an effec-
8 tive date."

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

10 * Section 1. AS 21.89.020 is amended by adding a new subsection to
11 read:

12 (f) An automobile liability insurance policy must provide that
13 all expenses and fees, not including counsel fees, incurred because of
14 arbitration or mediation shall be paid as a part of the arbitration
15 award.

16 * Sec. 2. AS 28.10.021(a) is amended to read:

17 (a) The owner of a vehicle subject to registration shall apply
18 for registration under this chapter by properly completing the form
19 prescribed by the commissioner under AS 28.05.041. Before the issu-
20 ance of a certificate of registration by the department, the owner
21 shall

22 (1) pay all registration fees and taxes required under this
23 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
24 4481 (Internal Revenue Code of 1954);

25 (2) unless the owner qualifies as a self-insurer under
26 AS 28.20.400, or is exempted from obtaining liability insurance under
27 AS 28.22.200, certify to the department the existence of a motor
28 vehicle liability policy that complies with AS 28.22.200 for the
29 vehicle being registered and certify that the liability policy will

1 remain in effect for the term the vehicle is registered and being
2 driven on a highway, vehicular way or area, or until the vehicle is
3 sold; and

4 (3) [SHALL] comply with [ANY] other applicable statutes and
5 regulations.

6 * Sec. 3. AS 28.10.041(a) is amended to read:

7 (a) The department may refuse to register a vehicle if

8 (1) the application contains a false or fraudulent state-
9 ment;

10 (2) the applicant fails to furnish information required by
11 the department;

12 (3) the applicant is not entitled to the issuance of a
13 certificate of title or registration under this chapter;

14 (4) the vehicle is determined to be mechanically unsafe to
15 be driven or moved on a highway, vehicular way or area, or other
16 public property in the [THIS] state;

17 (5) the department has reasonable grounds to believe that
18 the vehicle was stolen or fraudulently acquired or that the granting
19 of registration would be a fraud against the rightful owner or other
20 person having a valid lien upon the vehicle;

21 (6) the registration of the vehicle has been suspended or
22 revoked for any reason under the laws of the [THIS] state;

23 (7) the required fees or taxes have not been paid;

24 (8) the vehicle or applicant fails to comply with this
25 chapter or regulations authorized by this section;

26 (9) the vehicle is without a certificate of inspection
27 required under AS 28.32.010;

28 (10) the vehicle is subject to a state-approved local
29 emission inspection program adopted by municipal ordinance under

1 AS 46.03.210, and the vehicle does not meet the standards of that
2 program, unless the vehicle uses a fuel source that does not primarily
3 emit carbon monoxide;

4 (11) the applicant fails to certify to the department the
5 existence of a motor vehicle liability policy that complies with
6 AS 28.22.010 for the vehicle being registered, unless the owner of the
7 vehicle qualifies as a self-insurer under AS 28.20.400, or is exempted
8 from obtaining liability insurance under AS 28.22.200.

9 * Sec. 4. AS 28.10.051 is amended by adding a new subsection to read:

10 (b) Unless the owner qualifies as a self-insurer under AS 28.-
11 20.400, or is exempted from obtaining liability insurance under
12 AS 28.22.200, the department may suspend or revoke the registration of
13 a vehicle that is not insured by a motor vehicle liability policy that
14 complies with AS 28.22.010.

15 * Sec. 5. AS 28.10.421(c) is amended to read:

16 (c) The annual registration fees under this subsection are
17 imposed and are based upon the actual unladen weight as established by
18 the manufacturer's advertised weight or upon the actual weight which
19 the owner shall furnish, subject to the approval of the commissioner
20 or the commissioner's representative, for a vehicle, including a motor
21 vehicle pulling a trailer or semi-trailer, used or maintained for the
22 transportation of passengers for hire, excepting taxicabs and buses
23 under (b) of this section, or for the transportation of property for
24 hire or for other commercial use, including a commercial vehicle such
25 as a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambu-
26 lance, and tractor, as follows:

27 (1) up to and including 5,000 pounds \$51 [\$50];

28 (2) more than 5,000 pounds to and including 12,000 pounds .

29 \$86 [\$85];

- 1 (3) more than 12,000 pounds to and including 18,000 pounds
2 \$156 [\$155];
3 (4) more than 18,000 pounds \$221 [\$220].

4 * Sec. 6. AS 28.10.421 is amended by adding a new subsection to read:

5 (f) The fees collected by the department under this section
6 shall be deposited in the general fund. The Department of Adminis-
7 tration shall separately account for three percent of the fees
8 collected under this section and deposited in the general fund. The
9 annual estimated balance in the account may be used by the legislature
10 to make appropriations for administration of AS 28.10.021(a) and
11 AS 28.22 (Alaska Mandatory Automobile Insurance Act).

12 * Sec. 7. AS 28.15.255(c) is amended to read:

13 (c) In this section, the term "proof of financial responsibility
14 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
15 230(b)] and may be established as provided in AS 28.20.

16 * Sec. 8 AS 28.20.630 is amended to read:

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

19 (1) "judgment" ["JUDGMENT"] means a judgment that [WHICH]
20 is final by expiration without appeal of the time within which an
21 appeal may be taken, or final by affirmation on appeal, given by a
22 court of a [ANY] state or of the United States, upon a cause of action
23 arising out of the ownership, maintenance, or use of a vehicle of a
24 type subject to registration under the laws of this state, for dam-
25 ages, including damages for care and loss of services, because of
26 bodily injury to or death of a person, or for damages because of
27 injury to or destruction of property, including the loss of use of
28 property, or upon a cause of action on an agreement of settlement for
29 such damages;

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

5 * Sec. 9. AS 28.22 is amended by adding a new section to read:

6 Sec. 28.22.610. SHORT TITLE. This chapter may be cited as the
7 Alaska Mandatory Automobile Insurance Act.

8 * Sec. 10. Section 1 of this Act applies to automobile liability insur-
9 ance policies entered into or renewed on or after the effective date of
10 this Act.

11 * Sec. 11. AS 28.20.230(b) and secs. 17, 18, 19, 20, and 23 of ch. 70,
12 SLA 1984 are repealed.

13 * Sec. 12. This Act takes effect January 1, 1988.
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**STATE OF ALASKA
1988 LEGISLATIVE SESSION**

BILL VERSION: CSHB 44 (FIN)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: re: motor vehicle liability
insurance and vehicle...
Sponsor: Donlev
Requestor: House Finance

Agency Affected: Public Safety
BRU: Motor Vehicles

Components: Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	14.9	30.7	31.6			
TRAVEL						
CONTRACTUAL	1.4	2.9	3.0			
SUPPLIES	.3	.4	.4			
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	16.6	34.0	35.0	0	0	0
TOTAL OPERATING						

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	16.6	34.0	35.0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	16.6	34.0	35.0	0	0	0

POSITIONS:

FULL-TIME	1	1	1			
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Al Adams, Chair *AAA* Phone: 465-3706
Division: House Finance Committee Date: 1-8-88

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 44(Fin)

EXPENDITURES:

The committee substitute requires the person registering a vehicle to certify they have insurance, and will continue to carry the insurance when the vehicle is in operation.

As a result of experience gained from the Emission Inspection Program it is realized the renewal by mail form will not always be adequately completed in regard to certifying insurance is in existence, thus some will need to be returned to the applicant. Of the 412,000 registrations processed in 1986, 110,000 were renewals by mail. It is estimated 10% of the renewals by mail will be incomplete in regard to insurance. The one position requested is to assist the mail-out renewal program. After the program is in operation for a couple years there will be less rejected applications, and the position will no longer be required.

PERSONAL SERVICES:

1 Motor Vehicle Rep. II, Anchorage, 9B	14.9
--	------

CONTRACTUAL:

Postage - 6,250 x \$.22	1.4
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COMMODITIES: -

Envelopes	.2
Other normal office supplies	<u>.1</u>

TOTAL	16.6
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The above funding is for one-half year because of effective date of January 1, 1988. A 3% inflation factor was used for FY89 and subsequent years.

REVENUES:

412,000 vehicles were registered in 1986. Revenue increase for FY88 is for one-half year because of effective date of January 1, 1988.

412,000 divided by one-half = 206,000 x \$1.00 fee increase = \$206,000.

A 1% growth factor was used for FY89 and subsequent years.

Position Title Motor Vehicle Representative II		No. of Positions One	Range/Step 9B	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District 7-15
Type of Expenditure		Amount		
1	2	3		
Salary	10,710			
Benefits	4,191			
Premium Pay				
Other				
Total Personal Services		14.9		
Travel				
Contractual		1.4		
Commodities		.3		
Equipment				
Other				
Total Cost		16.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	16.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
Justification				
<p>Process registration applications received under the mail-out renewal program. Inspect applications returned for completeness. Return applications which are incomplete with instructions on how to correct. Perform data entry for properly completed applications and send renewal registration and tabs to applicant.</p> <p>Figures are for one-half year because of effective date of January 1, 1988.</p>				

**Request For
New Position**

Agency Public Safety
 DRU Motor Vehicles
 Component Field Services

Page 3 of 3
 Revised Date

FY 88

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

DRAFT dated 5-13-87
CSHB 44 (Fin).

REQUEST: _____

Bill Version : _____
Publish Date : _____

Revision Date: _____
Title: An Act relating to motor vehicle liability insurance and vehicle
Sponsor: Donley
Requestor: House Finance

Agency Affected: Public Safety
BRU: Motor Vehicles
Components: Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		14.9	30.7	31.6		
TRAVEL						
CONTRACTUAL		1.4	2.9	3.0		
SUPPLIES		.3	.4	.4		
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	16.6	34.0	35.0	-0-	-0-

CAPITAL						
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REVENUE	-0-	206.0	416.1	420.3	424.5	428.7
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	16.6	34.0	35.0	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	16.6	34.0	35.0	-0-	-0-

POSITIONS:

FULL-TIME		1	1	1		
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Page 2.

Prepared by: Charles R. Hosack
Division: Motor Vehicles

Phone: 269-5551
Date: 5-15-87

Approved by Commissioner: _____
Agency: Public Safety

Date: 5/15/87

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

RECEIVED
MAY 15 1987

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 44(Fin) DRAFT dated 5-13-87

EXPENDITURES:

The committee substitute requires the person registering a vehicle to certify they have insurance, and will continue to carry the insurance when the vehicle is in operation.

As a result of experience gained from the Emission Inspection Program it is realized the renewal by mail form will not always be adequately completed in regard to certifying insurance is in existence, thus some will need to be returned to the applicant. Of the 412,000 registrations processed in 1986, 110,000 were renewals by mail. It is estimated 10% of the renewals by mail will be incomplete in regard to insurance. The one position requested is to assist the mail-out renewal program. After the program is in operation for a couple years there will be less rejected applications, and the position will no longer be required.

PERSONAL SERVICES:

1 Motor Vehicle Rep. II, Anchorage, 9B	14.9
--	------

CONTRACTUAL:

Postage - 6,250 x \$.22	1.4
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COMMODITIES: -

Envelopes	.2
Other normal office supplies	<u>.1</u>

TOTAL	16.6
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Time Status PFT	Staff Months 12	Location Anchorage		Election District 7-15
Justification				
Type of Expenditure			Amount	
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Premium Pay				
Other				
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Commodities		.3		
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Funding Source for Total Cost				
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G. F. Match	1003			
General Fund	1004	16.6		
I-A Receipts	1006			
CIP Receipts	1061			
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Request For
New Position

Agency Public Safety
 BRU Motor Vehicles
 Component Field Services

Page 3 of 3
 Revised Date

FY 88

APRIL 1, 1987

COMMENTS ON HB 44

PAGE 1, LINE 21, REQUIRES THE OWNER OF A VEHICLE TO "CERTIFY" TO THE DEPARTMENT THE EXISTENCE OF MOTOR VEHICLE LIABILITY INSURANCE. THE AIIAB SUGGESTS THAT THE TERM CERTIFY IS SOMEWHAT VAGUE. WE WOULD SUGGEST THAT THE WORDS "CERTIFY TO THE DEPARTMENT" BE DELETED AND REPLACED BY "SIGN A SWORN AFFADAVIT TO THE DEPARTMENT VERIFYING".

line 23 - delete certify to verify

WE ALSO UNDERSTAND THAT THERE MAY BE CONSIDERATION OF AN AMENDMENT TO REQUIRE PROOF OF INSURANCE UP FRONT IN THE FORM OF A BINDER OR POSSIBLY A COPY OF THE POLICY. WE FEEL VERY STRONGLY THAT SUCH AN AMENDMENT WOULD PLACE A TRULY MONUMENTAL PAPERWORK BURDEN ON OUR MEMBERS. THE DEPARTMENT OF PUBLIC SAFETY EARLIER TESTIFIED BEFORE THE HOUSE LABOR AND COMMERCE COMMITTEE STATING THAT THERE ARE APPROXIMATELY 450,000 VEHICLES REGISTERED IN THE STATE. IN ADDITION, THERE ARE ALSO AN UNKNOWN NUMBER OF RESALES EACH YEAR WHICH WOULD ALSO REQUIRE PROOF OF INSURANCE WHEN THE VEHICLE IS RE-REGISTERED. [PARTICULARLY] IN LIGHT OF THE CURRENT ECONOMIC SITUATION IN ALASKA, THE EXTRA EXPENSE INCURRED BY THE LOCAL AGENTS AND BROKERS WOULD INDEED BE DEVASTING.

April 12, 1987

Lova

Representative Al Adams
Chair, House Finance Committee
Box V
Juneau, Alaska 99811

Re: CSHB 44

Dear Mr. Chairman:

As you know, I represent the Association of Independent Insurance Agents and Brokers. I thought if I submitted my thoughts about the captioned bill in writing, I could save you and your committee members some valuable time instead of appearing before you in person.

One of the problems with the bill as written is the horrendous amount of money which will be required by the Division of Motor Vehicles to administer its provisions. I believe Bill Brown of that department will verify this allegation. Also, Don Koch of the Division of Insurance will authenticate the allegation, I believe.

We can cure the financial problems quite simply without doing injury to the bill. I refer to subsection (2), lines 25-28 on page 1. If, on line 27, we could delete this language, "certify to the department and provide proof" and substitute therefor, "sign a sworn statement to the department verifying" and if, on line 29, "certify" were changed to "verify", the matter would be solved.

These are simple changes; they would drastically reduce the financial impact to the state. I don't believe there will be much, if any, serious objection to these proposed changes.

If you feel there is merit to these suggestions, may I request you make copies of this informal letter and distribute them to your committee members?

Best regards,

Bob Ziegler

Robert H. Ziegler, Sr.



LAWS OF ALASKA

1984

Source

ASRS 7

Chapter No.

70

AN ACT

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

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: May 31, 1984
Actual Effective Date: Sections 1 - 15 take effect
January 1, 1985; Section 16 takes effect October 1, 1984;
Sections 18, 19 and 20 take effect January 1, 1989.

AN ACT

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

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

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

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

Chapter 70

1 JANUARY 1, 1969, BY AN INSURANCE CARRIER AUTHORIZED TO TR
2 NESS IN THIS STATE], shall contain limits in at least
3 prescribed for a motor vehicle liability policy in AS 28
4 AS 28.22.010 (AS 28.20.440(b)(2), AND MEET THE REQUIREMENTS
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

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

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

26 (e) The coverage required under (c) and (d) of this sec
27 be waived in writing by the insured in whole or in part. Afte
28 tion of the limits by the insured or the exercise of the c
29 waive the coverage in whole or in part, the insurer is not req

...E CARRIER AUTHORIZED TO TRANSACT ...
 ...ntain limits in at least the ...
 ...liability policy in AS 28.20.440 ...
 ...), AND MEET THE REQUIREMENTS OF AS 3 ...
 ...ROVIDED IN THAT PARAGRAPH]. ...
 ...d by adding new subsections to ...
 ...offering automobile liability ...
 ...y or death shall offer coverage ...
 ...20.445, or AS 28.22.010 - 28.22.1 ...
 ...e limit purchased voluntarily ...
 ...for bodily injury or death, ...
 ...red under the policy who are ...
 ...bodily injury or death from ...
 ...erinsured motor vehicles. The ...
 ...e limit in AS 28.20.440 or AS ...
 ...offering automobile liability ...
 ...destruction of property shall ...
 ...).440 and 28.20.445, or AS 28.22. ...
 ...than those prescribed in AS 28.22. ...
 ...sured person's liability for injury ...
 ...the protection of the persons ...
 ...ally entitled to recover damages ...
 ...covered motor vehicle from ...
 ...insured motor vehicles. ...
 ...under (c) and (d) of this section ...
 ...red in whole or in part. After ...
 ...red or the exercise of the optio ...
 ...n part, the insurer is not requir

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

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

(b) At the time of application for registration or renewal of
 ...istration, the department shall provide the applicant written
 ...formation explaining the state's financial responsibility law, the
 ...andatory automobile insurance requirement, and potential penalties
 ... failure to comply with the law.

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

(e) At the time of application for a driver's license or an
 ...struction permit, or renewal of a driver's license or an instruction
 ...mit, the department shall provide the applicant written information
 ...plaining the state's financial responsibility law, the mandatory
 ... automobile insurance requirement, and potential penalties for failure
 ... comply with the law.

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

(a) The department shall examine every applicant for a driver's
 ...ense. The examination shall include a test of the applicant's (1)
 ...sight, (2) ability to read and understand official traffic control
 ...vices, (3) knowledge of safe driving practices, (4) knowledge of the
 ...ffects of alcohol and drugs on drivers and the dangers of driving
 ...der the influence of alcohol or drugs, [AND] (5) knowledge of the
 ... [RELATING TO] driving while intoxicated, (6) knowledge of the
 ... on financial responsibility and mandatory automobile liability
 ...ance, and, (7) the traffic laws and regulations of this state.

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

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

11 Sec. 28.15.211. PERIODS OF LIMITATION, SUSPENSION OR
12 TION; OPPORTUNITY FOR HEARING AND SURRENDER OF LICENSE. (a)
13 for a point system suspension or revocation under AS 28.
14 28.15.241 and unless provided otherwise by law, and unless the
15 sion or revocation was for a cause that [WHICH] has been removed
16 person whose driver's license or privilege to drive a motor vehicle
17 this state has been suspended or revoked may not apply for a
18 license nor may the person's [HIS] driving privilege be restored
19 the expiration of

20 (1) one month from the date on which the license was
21 suspended 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
28 suspended or revoked for a third or subsequent conviction within 12
29 consecutive months of the same offense from which the suspension or

revocation resulted, [; OR]

(b) A limitation, suspension, or revocation of a driver's license imposed by a court takes effect on the date of final judgment, except that if another limitation, suspension, or revocation of license is in effect on the date of final judgment, the effective date of the last imposed limitation, suspension, or revocation is at the end of the last day of the previous limitation, suspension, or revocation unless the court specifies otherwise.

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

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

(e) At the end of a period of limitation, suspension, or revocation under this chapter, the department may not issue a driver's license or a duplicate driver's license to the licensee until the licensee (HE) has complied with AS 28.20 relating to proof of financial responsibility.

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

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

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

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

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

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

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



ness in this state, except as provided in 0
 the accident resulted in bodily injury or
 bond is subject to a limit, exclusive of intr
 is than \$50,000 [\$25,000] because of bodily tr
 rson in any one accident and, subject to the
 , to a limit of not less than \$100,000 [\$50,
 ury to or death of two or more persons in any
 accident has resulted in injury to, or destr
 a limit of not less than \$25,000 [\$10,000]
 or destruction of property of others in any

(b) is amended to read:

proof of financial responsibility for the fut
 pter means proof of ability to respond in
 ount of an accident occurring after the effec
 [WHICH] arises out of the ownership, mainte
 subject to registration under the laws of
 of \$50,000 [\$25,000] because of bodily injury
 n in any one accident, and, subject to the
 in the amount of \$100,000 [\$50,000] because
 eath of two or more persons in any one accide
\$25,000 [\$10,000] because of injury to or
 of others in any one accident. In [AS US
 "proof of financial responsibility" or
 l responsibility for the future.

(a) is amended to read:

PURPOSE OF] this chapter, a judgment is
 [\$25,000] is credited upon a judgment given

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

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

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

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

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

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

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

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

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1 owners or operators of uninsured or underinsured motor vehicle
2 cause of bodily injury or death, or damage to or destruction of
3 property arising out of the ownership, maintenance or use of the
4 uninsured or underinsured motor vehicle; this coverage shall conform
5 the provisions of AS 28.20.445 [1, EXCEPT THAT THIS COVERAGE
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 uninsured
11 and underinsured motorists coverage required to be offered under
12 AS 28.20.440 shall be the difference between the coverage limit
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 underinsured
16 motorists coverage may be reduced by

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

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

22 (3) amounts paid by or on behalf of the uninsured or underinsured
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 liability
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 receive
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

...ing order of priority, subject to the limit of liability for applicable policy or coverage:

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

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

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

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

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

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

(e) Uninsured and underinsured motorists coverage

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

(2) shall be a single combined coverage; and

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

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

8 (g) The uninsured and underinsured motorists coverage for
9 damage to or destruction of property is subject to a deductible of
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
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 accident
18 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 the
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)

28 owner's policy of liability insurance shall

29 (1) designate by description or appropriate reference

... that it covers:

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

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

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

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

(b) The operator's policy of liability insurance shall insure the person named as insured against loss from the liability imposed on the operator by law for damages arising out of the use by the operator of a motor vehicle not owned by the operator, within the same territorial limits and subject to the same limits of liability as are required for an owner's policy of liability insurance.

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

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

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

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

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

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

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

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

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

(a) of this section for bodily injury
such.

PROVISIONS THAT ARE IMPLIED. A
subject to the following provisions
contained in the policy:

on by the insured of a judgment
condition precedent to the right or duty
payment on account of injury or damage
carrier may settle a claim covered by
made in good faith, the amount of such
limits of liability specified in AS 2

written application for the policy.
statement that does not conflict with
constitute the entire contract between

FOR ADDITIONAL COVERAGE. (a) A policy
issued for a motor vehicle liability policy
in excess of or in addition to the
and the excess or additional coverage
provisions of this chapter. With respect to
additional coverage, the term "policy"
applies only to that part of the coverage

is excluded from the application of the
motor vehicle liability coverage
on an umbrella basis.

A motor vehicle liability policy
issued in conjunction with other valid

effective insurance.

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

(b) A policy is not effective under AS 28.22.010 with respect to
a vehicle not registered in the state or a vehicle that was registered
in another jurisdiction on the effective date of the policy or the
renewal of it, unless the insurance or surety company
issuing the policy is authorized to do business in the state, or if
the company is not authorized to do business in the state, unless it
obtains a power of attorney authorizing the director of the division
of insurance to accept service on its behalf of notice or process in
connection with the policy arising out of the accident.

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

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

ARTICLE 2. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE.

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

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

(2) shall be a single combined coverage; and

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

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1 insured has rejected uninsured or underinsured coverage, the
2 shall not be included in a supplemental, renewal or replacement
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
6 unknown, payment under the uninsured and underinsured motorists
7 coverage may be made only where direct contact between the insured
8 uninsured or underinsured motor vehicles has occurred. A vehicle
9 has left the scene of the accident with an insured vehicle is
10 to be uninsured if the insured person reports the accident to
11 appropriate authorities within 24 hours.

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

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

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

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

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

... automobile medical payments insurance or bodily injury or death liability insurance; and

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

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

- (1) a policy or coverage covering a motor vehicle occupied by the injured person at the time of the accident;
- (2) a policy or coverage covering a motor vehicle that came into contact with the insured while a pedestrian; and
- (3) a policy or coverage covering a motor vehicle not involved in the accident with respect to which the injured person is not insured or a named insured.

Sec. 28.22.130. POLICY COVERAGE EXCLUSIONS. The uninsured and underinsured motorists coverage provided for in this chapter does not apply to bodily injury or death or damage to or destruction of property of an insured

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

... red or underinsured coverage, the cost of supplemental, renewal or replacement coverage is not payable if the insured or insured's agent requests uninsured or underinsured coverage.

... and operator of the uninsured vehicle involved in the accident with an insured vehicle is reported to the insured person within 24 hours.

... underinsured motorists coverage for which the insured is subject to a deductible of \$500. The deductible may be limited to damage to or destruction of property. It may not include loss of use of property.

... LIABILITY OF CARRIER. (a) The liability of a carrier under the uninsured and underinsured motorists coverage limit of liability and the amount payable on behalf of the uninsured and underinsured motorist.

... under the uninsured motorists and underinsured motorists coverage required to be offered under this chapter.

... or to be paid under any workers' compensation act.

... or payable under any valid and collectible contract.

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household.

ARTICLE 3. PROOF OF INSURANCE REQUIRED.

Sec. 28.22.200. MOTOR VEHICLE LIABILITY INSURANCE

EXEMPTIONS. (a) The operator or owner of a motor vehicle subject to registration under AS 28.10.011 when driven on a highway, vehicular way or area, or on other public property in the state, shall be required to have motor vehicle liability insurance that complies with this chapter or a certificate of self-insurance that complies with AS 28.20.400 in effect for the motor vehicle, unless

(1) the motor vehicle is being driven or moved on a highway, vehicular way, or a public parking place in the state that is connected by a land highway or vehicular way to

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

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

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

(b) The department shall publish annually a list of areas that do not meet the requirements of (a)(1) of this section. This list shall be made available for public inspection at all division of motor vehicle offices in the state.

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

(1) is involved in an accident that results in

INSURANCE REQUIRED.

MOTOR VEHICLE LIABILITY INSURANCE REQUIRED.
The owner of a motor vehicle subject
when driven on a highway, vehicle
or property in the state, shall have
insurance that complies with this chapter
or that complies with AS 28.20.400
unless

the vehicle is being driven or moved on a
parking place in the state that is
a vehicular way to

connected state highway system, or
a vehicular way with an average
AS 28.20.499; and

the vehicle has not been cited within the previous
year in violation with a demerit point value
of five or more as determined under regulations
AS 28.20.221.

The department shall publish annually a list of areas
of this section. This list shall
be available at all division of motor vehicle

METHOD OF PROOF OF MOTOR VEHICLE LIABILITY
The owner of a motor vehicle required to have
insurance that complies with this chapter
or that complies with AS 28.20.400, shall
at the time of that person's initial appearance in court or
within 15 days of the date of the charge of a traffic law violation,

if the person is involved in an accident that results in bodily
injury to or death of a person, or damage to the property of a person
exceeding \$500; or

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

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

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

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

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

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

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

Sec. 28.22.230. METHOD OF PROOF FOLLOWING A CHARGE OF A MOVING
TRAFFIC VIOLATION. (a) A person charged with a traffic law violation
shall be required to prove that a motor vehicle liability insurance pol-
icy or a certificate of self-insurance was in effect under AS 28.22.210
at the time of that person's initial appearance in court or
within 15 days of the date of the charge of a traffic law violation,
if the person is involved in an accident that results in bodily
injury to or death of a person, or damage to the property of a person
exceeding \$500; or

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

4 (2) provide the court with written certification from
5 insurance company, insurance agent, insurance broker, or surplus li
6 broker confirming that motor vehicle liability insurance issued
7 conformity with this chapter was in effect at the time of the v
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
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
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
23 years, the person has previously had a driver's license suspended
24 or more times for violation of AS 28.22.200.

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
28 purposes only to a person whose license has been suspended under this
29 section, if

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

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

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

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

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

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

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

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

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

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

Chapter 70

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 shall
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 and
6 person does not believe to be true with the intent to mislead a
7 servant in the performance of a duty is guilty of a class A misdemeanor
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 license
12 privileges may be restored or limited license privileges are restored
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.

of the opportunity for a hearing on the revocation of a person's license appearing under this section.

FUTURE INFORMATION. A person under AS 28.22.210 - 28.22.240 that has the intent to mislead a public official is guilty of a class A misdemeanor.

FUTURE. (a) A person who is required to file proof of financial responsibility under AS 28.20 before full driving license privileges are granted.

responsibility under AS 28.20 for a period of one year following expiration of the license under AS 28.240.

PROVISIONS.

REPEAL. A provision in this chapter that prohibits a motor vehicle liability policy from containing conditions, exceptions, exclusions, or limitations that are more restrictive than the requirements of this chapter shall be repealed.

Any provision of this chapter that requires a person to file proof of financial responsibility under this chapter to any person or entity, other than the remainder of the chapter and the provisions of this chapter that apply to persons or circumstances other than those specified in this chapter, shall not be affected.

For purposes of this chapter, "motor vehicle liability policy" means a policy or an operator's policy.

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

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

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

(A) is less than the limit for uninsured and underinsured coverage of the insured's policy; or

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

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

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

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

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

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

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SBHR 44(JLD)
Publish Date: _____

Revision Date: _____

Agency Affected: Commerce & Econ. Dev.
Insurance

Title: An Act relating to motor vehicle liability insurance & the requirements for obtaining and maintaining motor vehicle registration

Sponsor: Donley

Components: Public Protection

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
----------------	------------	------------	------------	------------	------------	------------

REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
----------------	------------	------------	------------	------------	------------	------------

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: John L. George, Director
Division: Division of Insurance

Phone: 465-2515
Date: February 2, 1987

Approved by Commissioner: J. Anthony Smith
Agency: Commerce and Economic Development

Date: February, 1987

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

0456K2287a

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____ Bill Version: CSHB 44(Jud)
 Publish Date: _____
 Revision Date: _____ Agency Affected: Public Safety
 Title: An Act relating to motor vehicle BRU: Motor Vehicles
liability insurance and vehicle...
 Sponsor: Donlev Components: Field Services
 Requestor: House Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		92.0	189.4	195.1	201.0	207.0
TRAVEL						
CONTRACTUAL		83.1	71.8	74.0	76.2	78.5
SUPPLIES		.6	1.2	1.3	1.3	1.3
EQUIPMENT		1.4				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	177.1	262.4	270.4	278.5	286.8
CAPITAL						
REVENUE						
		1,050.0	2,163.0	2,227.9	2,294.7	2,363.5

FUNDING: (Thousands of Dollars)

GENERAL FUND		177.1	262.4	270.4	278.5	286.8
FEDERAL FUNDS						
OTHER						
TOTAL		177.1	262.4	270.4	278.5	286.8

POSITIONS:

FULL-TIME		6	6	6	6	6
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Effective date of January 1, 1988. Therefore, expenditures and revenue are for half of FY88, with first full year being FY89.

A 3% inflation factor, and increase in vehicles, was used for FY89 and subsequent years.

Prepared by: Charles R. Hosack Phone: 269-5551
 Division: Motor Vehicles Date: 4-8-87
 Approved by Commissioner: [Signature] Date: 4/15/87
 Agency: Public Safety

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 44(Jud)

ANALYSIS:

There are approximately 450,000 motor vehicles for which proof of insurance will be required prior to registration, and for which the owner must certify coverage will remain in effect. The checking and processing of the insurance papers, and the certification, will require extra time at the field offices, and for the mail-out renewal program. It is estimated that approximately 20-30% of these vehicles will be refused registration upon first application because the owner does not have proper proof at time of application. This will require a second trip to division offices when the proper proof is obtained.

EXPENDITURES:

<u>Personal Services</u>		
4 MVR II, Range 9, Anchorage	59.6	
2 MVR II, Range 9, Fairbanks	32.4	
		92.0
<u>Contractual</u>		
Professional Services		
DP program modification (contract)	36.0*	
Communications		
Postage - return mailing for incorrect renewals, and general correspondence	4.4	
Printing and Advertising		
Forms	1.5	
Advertising	5.0	
Data Processing		
DP Network Connect - 6 terminals @ \$1,500 each	9.0*	
DPS Info Systems chargeback @ \$475 per month per terminal	17.1	
CRT maintenance @ \$900 annually each	2.7	
Equipment Lease		
6 CRT terminals and printers @ \$206 per month each	7.4	83.1
<u>Commodities</u>		
Normal office supplies	.6	.6
<u>Equipment</u>		
4 counter stools @ \$350	1.4	1.4
		TOTAL 177.1

REVENUE:

\$5.00 per year increase in registration fees for vehicles under AS 28.10.421(b) and (c). 210,000 x \$5.00 = \$1,050,000 for FY88.

*One time charges - first year only.

Position Title Motor Vehicle Representative II		No. of Positions 4	Range/Step 9B	Barg. Unit CGU
Time Status PFT	Staff Months 48	Location Anchorage		Election District 7-15
Type of Expenditure		Justification		
1	2	3		
Salary	42,840	<p>These positions would work the public counter to issue motor vehicle registrations and titles. Would assist the public by responding to inquiries concerning motor vehicle insurance requirements.</p> <p>When necessary these positions will assist the mail out section in processing renewals and verifications of insurance.</p> <p>(Figures are for one-half of FY88 due to effective date of 1-1-88.)</p>		
Benefits	10,710			
Premium Pay				
Other	6,055			
Total Personal Services	59.6			
Travel				
Contractual		21.2		
Commodities		.4		
Equipment		1.1		
Other				
Total Cost		82.3		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	82.3		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

Request For
New Position

Agency Public Safety
 BRU Motor Vehicles
 Component Field Services

Page 3 of 4
 Revised Date

FY 88

Position Title Motor Vehicle Representative II		No. of Positions 2	Range/Step 9E	Barg. Unit GGU
Time Status PFT	Staff Months 24	Location Fairbanks		Election District 19-21
Justification				
Type of Expenditure			Amount	
1	2	3		
Salary	23,460			
Benefits	5,865			
Premium Pay				
Other	3,027			
Total Personal Services		32.4		
Travel				
Contractual		10.6		
Commodities		.2		
Equipment		.4		
Other				
Total Cost		43.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	43.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
<p>These positions would work the public counter to issue motor vehicle registrations and titles. Would assist the public by responding to inquiries concerning motor vehicle insurance requirements.</p> <p>(Figures are for one-half of FY88 due to effective date of 1-1-88.)</p>				

**Request For
New Position**

Agency Public Safety
 BRU Motor Vehicles
 Component Field Services

Page 4 of 4
 Revised Date

FY 88

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 4, 1987

SUBJECT: Sectional analysis - CSHB 44(Judiciary)
TO: Representative Dave Donley
FROM: Michael F. Ford
Legislative Counsel

The following is a section by section analysis of CSHB 44(Jud):

Section 1 - Requires automobile insurance policies to provide for payment of arbitration or mediation expenses and fees, not including counsel fees, as a part of the arbitration award.

Section 2 - Requires an owner of a motor vehicle to certify and provide proof of adequate liability insurance when registering the vehicle, unless the owner is a self-insurer or is exempt from the insurance requirement. Also requires that the owner certify that the insurance policy will remain in effect while the vehicle is registered and being driven, or until sold.

Section 3 - Provides authority for the department to refuse to register a vehicle if the owner fails to provide proof of motor vehicle liability insurance as required by law.

Section 4 - Provides authority for the department to suspend or revoke registration for a vehicle not insured as required by law.

Section 5 - Prohibits the department from renewing the registration of a motor vehicle unless the vehicle is insured as required by law.

Section 6 - Increases certain annual motor vehicle registration fees.

Section 7 - Increases certain annual motor vehicle registration fees.

Representative Donley
Page 2
May 4, 1987

Section 8 - Amends the definition of "proof of financial responsibility".

Section 9 - Definition.

Section 10 - Short title.

Section 11 - Applicability section.

Section 12 - Repealers.

Section 13 - Effective date.

MFF:mkr
m11/110

BILL NO: CS HB 44(Jud)

DATE: April 13, 1987

TITLE: An Act relating to motor
vehicle liability insurance
and vehicle registration

CONTACT: Bill Brown
465-4335

DEPARTMENT OF
PUBLIC SAFETY

This bill will require a person to sign a statement, prior to registering a motor vehicle, certifying that the vehicle is insured, and will continue to be insured until it is sold. It also requires the person to provide proof of the existence of insurance prior to registering the vehicle. The bill also increases motor vehicle registration fees, changes a definition, and repeals the repealer section of the current mandatory insurance law. Requiring people to sign a statement that they have insurance on a vehicle prior to registering it, and continue to maintain that insurance, will probably have little impact on reducing the number of uninsured if the current mandatory insurance program were to remain in effect. Since the current program is not funded in the FY88 operating budget, this bill may have greater impact. Requiring proof of insurance such as a copy of an insurance policy or binder, will not guarantee the vehicle is insured, or will remain insured.

Requiring proof of insurance at the time of registration will impact DMV at its field offices, and the mail-out program. The time involved in the registration process will increase. Such work increases will create long lines at major field offices. Recommend on Page 1, line 27, delete "and provide proof of".

Section 9 changes the definition of "proof of financial responsibility". Two possible legal questions arise concerning this section. First, the proposed AS 28.20.630(2) only mentions "proof of financial responsibility". The section it replaces, AS 28.20.230(b), which is repealed in Section 12 of this bill, also refers to "proof" and "proof of financial responsibility for the future". The different wording is interspersed throughout the Chapter, however, with the same meaning. If two of them are deleted from the definition it is questionable whether or not they continue to have the same meaning. It is recommended all three items be included in the definition. Second, proposed AS 28.20.630(2) may conflict with current AS 28.20.410 and AS 28.20.440(b)(1). Those sections indicate a policy and certificate are to "designate by description or appropriate reference all vehicles covered by it". The proposed section reflects the proof is to cover "all vehicles owned by the person". It is felt this needs to be looked at, and possibly amend those two sections also.

Section 12, repeals the repealer date of the current mandatory insurance law. That program is not funded in the proposed FY88 operating budget. The legislature may want to look at funding that program through use of the increased revenues generated by this bill. The cost to fully fund that program is \$260,400 for FY88. Otherwise it is recommended Section 12 be changed to repeal Section 17 of chapter 70, SLA 1984, effective July 1, 1987.

The department does not support this bill.


WILLIAM R. NIX

Acting Commissioner

Original sponsors: Donley and Collins

1 IN THE HOUSE BY THE LABOR AND
COMMERCE COMMITTEE
2 CS FOR HOUSE BILL NO. 44 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to motor vehicle liability insurance
7 and motor vehicle registration; and providing for an
8 effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 28.10.021(a) is amended to read:
11 (a) The owner of a vehicle subject to registration shall apply
12 for registration under this chapter by properly completing the form
13 prescribed by the commissioner under AS 28.05.041. Before the issu-
14 ance of a certificate of registration by the department, the owner
15 shall
16 (1) pay all registration fees and taxes required under this
17 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
18 4481 (Internal Revenue Code of 1954);
19 (2) unless the owner qualifies as a self-insurer under
20 AS 28.20.400, or is exempted from obtaining liability insurance under
21 AS 28.22.200, certify to the department the existence of a motor
22 vehicle liability policy that complies with AS 28.22.200 for the
23 vehicle being registered and certify that the liability policy will
24 remain in effect for the term the vehicle is registered or until the
25 vehicle is sold; and
26 (3) [SHALL] comply with [ANY] other applicable statutes and
27 regulations.
28 * Sec. 2. AS 28.10.041(a) is amended to read:
29 (a) The department may refuse to register a vehicle if

- 1 (1) the application contains a false or fraudulent state-
2 ment;
- 3 (2) the applicant fails to furnish information required by
4 the department;
- 5 (3) the applicant is not entitled to the issuance of a
6 certificate of title or registration under this chapter;
- 7 (4) the vehicle is determined to be mechanically unsafe to
8 be driven or moved on a highway, vehicular way or area, or other
9 public property in the [THIS] state;
- 10 (5) the department has reasonable grounds to believe that
11 the vehicle was stolen or fraudulently acquired or that the granting
12 of registration would be a fraud against the rightful owner or other
13 person having a valid lien upon the vehicle;
- 14 (6) the registration of the vehicle has been suspended or
15 revoked for any reason under the laws of the [THIS] state;
- 16 (7) the required fees or taxes have not been paid;
- 17 (8) the vehicle or applicant fails to comply with this
18 chapter or regulations authorized by this section;
- 19 (9) the vehicle is without a certificate of inspection
20 required under AS 28.32.010;
- 21 (10) the vehicle is subject to a state-approved local
22 emission inspection program adopted by municipal ordinance under
23 AS 46.03.210, and the vehicle does not meet the standards of that
24 program, unless the vehicle uses a fuel source that does not primarily
25 emit carbon monoxide;
- 26 (11) the applicant fails to certify to the department the
27 existence of a motor vehicle liability policy that complies with
28 AS 28.22.010 for the vehicle being registered, unless the owner of the
29 vehicle qualifies as a self-insurer under AS 28.20.400, or is exempted

1 from obtaining liability insurance under AS 28.22.200.

2 * Sec. 3. AS 28.10.051 is amended by adding a new subsection to read:

3 (b) Unless the owner qualifies as a self-insurer under AS 28.-
4 20.400, or is exempted from obtaining liability insurance under
5 AS 28.22.200, the department may suspend or revoke the registration of
6 a vehicle that is not insured by a motor vehicle liability policy that
7 complies with AS 28.22.010.

8 * Sec. 4. AS 28.10.111 is amended by adding a new subsection to read:

9 (c) Unless the owner of the vehicle qualifies as a self-insurer
10 under AS 28.20.400, or is exempted from obtaining liability insurance
11 under AS 28.22.200, the department may not renew the registration of a
12 vehicle without receiving certification from the owner that the vehi-
13 cle is insured by a motor vehicle liability policy that complies with
14 AS 28.22.010.

15 * Sec. 5. AS 28.10.421(b) is amended to read:

16 (b) The annual registration fees under this subsection are
17 imposed within the following classifications for:

18 (1) a passenger vehicle or motor home not used or main-
19 tained for the transportation of persons or property for hire or for
20 other commercial use. \$36 [\$35];

21 (2) a pick-up truck or a van not exceeding 6,000 pounds
22 unladen weight and not used or maintained for the transportation of
23 persons or property for hire or for other commercial use
24 \$41 [\$40];

25 (3) a taxicab \$71 [\$70];

26 (4) a motor bus with a seating capacity for 20 or more
27 persons and used exclusively for commercial purposes in the transport-
28 ing of visitors or tourists \$86 [\$85];

29 (5) a motorcycle or a motor-driven cycle \$21 [\$20];

1 (6) a two- or four-wheeled trailer not used or maintained
2 for the transportation of persons or property for hire or for other
3 commercial use, including, but not limited to, a boat trailer, baggage
4 trailer, box trailer, utility trailer or house trailer . . . \$6 [\$5].

5 * Sec. 6. AS 28.10.421(c) is amended to read:

6 (c) The annual registration fees under this subsection are
7 imposed and are based upon the actual unladen weight as established by
8 the manufacturer's advertised weight or upon the actual weight which
9 the owner shall furnish, subject to the approval of the commissioner
10 or the commissioner's representative, for a vehicle, including a motor
11 vehicle pulling a trailer or semi-trailer, used or maintained for the
12 transportation of passengers for hire, excepting taxicabs and buses
13 under (b) of this section, or for the transportation of property for
14 hire or for other commercial use, including a commercial vehicle such
15 as a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambu-
16 lance, and tractor, as follows:

- 17 (1) up to and including 5,000 pounds \$51 [\$50];
18 (2) more than 5,000 pounds to and including 12,000 pounds .
19 \$86 [\$85];
20 (3) more than 12,000 pounds to and including 18,000 pounds
21 \$156 [\$155];
22 (4) more than 18,000 pounds \$221 [\$220].

23 * Sec. 7. AS 28.15.255(c) is amended to read:

24 (c) In this section, the term "proof of financial responsibility
25 for the future" has the meaning given in AS 28.20.630 [AS 28.20.-
26 230(b)] and may be established as provided in AS 28.20.

27 * Sec. 8. AS 28.20.630 is amended to read:

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

1 (1) "judgment" ["JUDGMENT"] means a judgment that [WHICH]
2 is final by expiration without appeal of the time within which an
3 appeal may be taken, or final by affirmation on appeal, given by a
4 court of a [ANY] state or of the United States, upon a cause of action
5 arising out of the ownership, maintenance, or use of a vehicle of a
6 type subject to registration under the laws of this state, for dam-
7 ages, including damages for care and loss of services, because of
8 bodily injury to or death of a person, or for damages because of
9 injury to or destruction of property, including the loss of use of
10 property, or upon a cause of action on an agreement of settlement for
11 such damages;

12 (2) "proof of financial responsibility for the future"
13 means an owner's motor vehicle liability policy that covers all vehi-
14 cles owned by the person that are subject to registration in this
15 state, or if the person does not own a vehicle, proof required under
16 AS 28.20.390.

17 * Sec. 9. AS 28.22.010 is amended by adding a new subsection to read:

18 (g) A motor vehicle liability policy must provide that all
19 expenses and fees, not including counsel fees, incurred because of
20 arbitration or mediation shall be paid as a part of the arbitration
21 award.

22 * Sec. 10. AS 28.22 is amended by adding a new section to read:

23 Sec. 28.22.610. SHORT TITLE. This chapter may be cited as the
24 Alaska Mandatory Automobile Insurance Act.

25 * Sec. 11. Section 9 of this Act applies to motor vehicle liability
26 insurance policies entered into or renewed after the effective date of this
27 Act.

28 * Sec. 12. AS 28.20.230(b) and secs. 17, 18, 19, 20, and 23 of ch. 70,
29 SLA 1984 are repealed.

1 * Sec. 13. This Act takes effect January 1, 1988.

Introduced: 1/19/87
 Referred: Labor & Commerce and
 Judiciary

1 IN THE HOUSE

BY DONLEY AND COLLINS

2

HOUSE BILL NO. 44

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to motor vehicle liability insurance
 and the insurance requirements for obtaining and
 maintaining motor vehicle registration; and providing
 for an effective date."

7

8

9

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

11 * Section 1. AS 28.10.021(a) is amended to read:

12

(a) The owner of a vehicle subject to registration shall apply
 for registration under this chapter by properly completing the form
 prescribed by the commissioner under AS 28.05.041. Before the issu-
 ance of a certificate of registration by the department, the owner
 shall

17

(1) pay all registration fees and taxes required under this
 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
 4481 (Internal Revenue Code of 1954);

18

19

20

(2) unless the owner qualifies as a self-insurer under
 AS 28.20.400, or is exempted from obtaining liability insurance under
 AS 28.22.200, provide evidence satisfactory to the department of the
 existence of a motor vehicle liability policy that complies with
 AS 28.22.010 for the vehicle being registered; and

21

22

23

24

25

(3) [SHALL] comply with [ANY] other applicable statutes and
 regulations.

26

27

* Sec. 2. AS 28.10.041(a) is amended to read:

28

(a) The department may refuse to register a vehicle if

29

(1) the application contains a false or fraudulent

1 statement;

2 (2) the applicant fails to furnish information required by
3 the department;

4 (3) the applicant is not entitled to the issuance of a
5 certificate of title or registration under this chapter;

6 (4) the vehicle is determined to be mechanically unsafe to
7 be driven or moved on a highway, vehicular way or area, or other
8 public property in the [THIS] state;

9 (5) the department has reasonable grounds to believe that
10 the vehicle was stolen or fraudulently acquired or that the granting
11 of registration would be a fraud against the rightful owner or other
12 person having a valid lien upon the vehicle;

13 (6) the registration of the vehicle has been suspended or
14 revoked for any reason under the laws of the [THIS] state;

15 (7) the required fees or taxes have not been paid;

16 (8) the vehicle or applicant fails to comply with this
17 chapter or regulations authorized by this section;

18 (9) the vehicle is without a certificate of inspection
19 required under AS 28.32.010;

20 (10) the vehicle is subject to a state-approved local
21 emission inspection program adopted by municipal ordinance under
22 AS 46.03.210, and the vehicle does not meet the standards of that
23 program, unless the vehicle uses a fuel source that does not primarily
24 emit carbon monoxide;

25 (11) the applicant fails to provide evidence satisfactory to
26 the department of the existence of a motor vehicle liability policy
27 that complies with AS 28.22.010 for the vehicle being registered,
28 unless the owner of the vehicle qualifies as a self-insurer under
29 AS 28.20.400, or is exempted from obtaining liability insurance under

1 AS 28.22.200.

2 * Sec. 3. AS 28.10.051 is amended by adding a new subsection to read:

3 (b) Unless the owner qualifies as a self-insurer under AS 28.-
4 20.400, or is exempted from obtaining liability insurance under
5 AS 28.22.200, the department may suspend or revoke the registration of
6 a vehicle that is not insured by a motor vehicle liability policy that
7 complies with AS 28.22.010.

8 * Sec. 4. AS 28.10.111 is amended by adding a new subsection to read:

9 (c) Unless the owner of the vehicle qualifies as a self-insurer
10 under AS 28.20.400, or is exempted from obtaining liability insurance
11 under AS 28.22.200, the department may not renew the registration of a
12 vehicle without receiving evidence satisfactory to the department that
13 the vehicle is insured by a motor vehicle liability policy that com-
14 plies with AS 28.22.010.

15 * Sec. 5. AS 28.10 is amended by adding a new section to read:

16 Sec. 28.10.115. NOTIFICATION OF CANCELLATION. An insurer shall
17 notify the department within 10 days after the cancellation of a motor
18 vehicle liability policy issued by the insurer for a vehicle that is
19 registered under this chapter.

20 * Sec. 6. AS 28.22.010 is amended by adding a new subsection to read:

21 (g) A motor vehicle liability policy must provide that all
22 expenses and fees, not including counsel fees, incurred because of
23 arbitration or mediation shall be paid as a part of the arbitration
24 award.

25 * Sec. 7. Section 6 of this Act applies to motor vehicle liability
26 insurance policies entered into or renewed after the effective date of this
27 Act.

28 * Sec. 8. Sections 17, 18, 19, 20, and 23 of ch. 70, SLA 1984 are
29 repealed.

1 * Sec. 9. This Act takes effect July 1, 1987.

Original sponsors: Donley and Collins

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 44 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle liability insurance
7 and vehicle registration; and providing for an effective date."
8

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

10 * Section 1. AS 21.89.020 is amended by adding a new subsection to
11 read:

12 (f) An automobile liability insurance policy must provide that
13 all expenses and fees, not including counsel fees, incurred because of
14 arbitration or mediation shall be paid as a part of the arbitration
15 award.

16 * Sec. 2. AS 28.10.021(a) is amended to read:

17 (a) The owner of a vehicle subject to registration shall apply
18 for registration under this chapter by properly completing the form
19 prescribed by the commissioner under AS 28.05.041. Before the issuance
20 of a certificate of registration by the department, the owner
21 shall

22 (1) pay all registration fees and taxes required under this
23 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
24 4481 (Internal Revenue Code of 1954);

25 (2) unless the owner qualifies as a self-insurer under
26 AS 28.20.400, or is exempted from obtaining liability insurance under
27 AS 28.22.200, certify to the department and provide proof of the
28 existence of a motor vehicle liability policy that complies with
29 AS 28.22.200 for the vehicle being registered and certify that the

1 liability policy will remain in effect for the term the vehicle is
2 registered and being driven on a highway, vehicular way or area, or
3 until the vehicle is sold; and

4 (3) [SHALL] comply with [ANY] other applicable statutes and
5 regulations.

6 * Sec. 3. AS 28.10.041(a) is amended to read:

7 (a) The department may refuse to register a vehicle if

8 (1) the application contains a false or fraudulent state-
9 ment;

10 (2) the applicant fails to furnish information required by
11 the department;

12 (3) the applicant is not entitled to the issuance of a
13 certificate of title or registration under this chapter;

14 (4) the vehicle is determined to be mechanically unsafe to
15 be driven or moved on a highway, vehicular way or area, or other
16 public property in the [THIS] state;

17 (5) the department has reasonable grounds to believe that
18 the vehicle was stolen or fraudulently acquired or that the granting
19 of registration would be a fraud against the rightful owner or other
20 person having a valid lien upon the vehicle;

21 (6) the registration of the vehicle has been suspended or
22 revoked for any reason under the laws of the [THIS] state;

23 (7) the required fees or taxes have not been paid;

24 (8) the vehicle or applicant fails to comply with this
25 chapter or regulations authorized by this section;

26 (9) the vehicle is without a certificate of inspection
27 required under AS 28.32.010;

28 (10) the vehicle is subject to a state-approved local
29 emission inspection program adopted by municipal ordinance under

1 AS 46.03.210, and the vehicle does not meet the standards of that
2 program, unless the vehicle uses a fuel source that does not primarily
3 emit carbon monoxide;

4 (11) the applicant fails to certify to the department and
5 provide proof of the existence of a motor vehicle liability policy
6 that complies with AS 28.22.010 for the vehicle being registered,
7 unless the owner of the vehicle qualifies as a self-insurer under
8 AS 28.20.400, or is exempted from obtaining liability insurance under
9 AS 28.22.200.

10 * Sec. 4. AS 28.10.051 is amended by adding a new subsection to read:

11 (b) Unless the owner qualifies as a self-insurer under AS 28.-
12 20.400, or is exempted from obtaining liability insurance under
13 AS 28.22.200, the department may suspend or revoke the registration of
14 a vehicle that is not insured by a motor vehicle liability policy that
15 complies with AS 28.22.010.

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

17 (c) Unless the owner of the vehicle qualifies as a self-insurer
18 under AS 28.20.400, or is exempted from obtaining liability insurance
19 under AS 28.22.200, the department may not renew the registration of a
20 vehicle without receiving certification from the owner that the vehi-
21 cle is insured by a motor vehicle liability policy that complies with
22 AS 28.22.010.

23 * Sec. 6. AS 28.10.421(b) is amended to read:

24 (b) The annual registration fees under this subsection are
25 imposed within the following classifications for:

26 (1) a passenger vehicle or motor home not used or main-
27 tained for the transportation of persons or property for hire or for
28 other commercial use. \$40 [\$35];

29 (2) a pick-up truck or a van not exceeding 6,000 pounds

- 1 unladen weight and not used or maintained for the transportation of
- 2 persons or property for hire or for other commercial use . \$45 [\$40];
- 3 (3) a taxicab \$75 [\$70];
- 4 (4) a motor bus with a seating capacity for 20 or more
- 5 persons and used exclusively for commercial purposes in the transport-
- 6 ing of visitors or tourists \$90 [\$85];
- 7 (5) a motorcycle or a motor-driven cycle . . . \$25 [\$20];
- 8 (6) a two- or four-wheeled trailer not used or maintained
- 9 for the transportation of persons or property for hire or for other
- 10 commercial use, including, but not limited to, a boat trailer, baggage
- 11 trailer, box trailer, utility trailer or house trailer . . . \$10 [\$5].

12 * Sec. 7. AS 28.10.421(c) is amended to read:

13 (c) The annual registration fees under this subsection are

14 imposed and are based upon the actual unladen weight as established by

15 the manufacturer's advertised weight or upon the actual weight which

16 the owner shall furnish, subject to the approval of the commissioner

17 or the commissioner's representative, for a vehicle, including a motor

18 vehicle pulling a trailer or semi-trailer, used or maintained for the

19 transportation of passengers for hire, excepting taxicabs and buses

20 under (b) of this section, or for the transportation of property for

21 hire or for other commercial use, including a commercial vehicle such

22 as a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambu-

23 lance, and tractor, as follows:

- 24 (1) up to and including 5,000 pounds \$55 [\$50];
- 25 (2) more than 5,000 pounds to and including 12,000 pounds .
- 26 \$90 [\$85];
- 27 (3) more than 12,000 pounds to and including 18,000 pounds
- 28 \$160 [\$155];
- 29 (4) more than 18,000 pounds \$225 [\$220].

1 * Sec. 8. AS 28.15.255(c) is amended to read:

2 (c) In this section, the term "proof of financial responsibility
3 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
4 230(b)] and may be established as provided in AS 28.20.

5 * Sec. 9. AS 28.20.630 is amended to read:

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

8 (1) "judgment" ["JUDGMENT"] means a judgment that [WHICH]
9 is final by expiration without appeal of the time within which an
10 appeal may be taken, or final by affirmation on appeal, given by a
11 court of a [ANY] state or of the United States, upon a cause of action
12 arising out of the ownership, maintenance, or use of a vehicle of a
13 type subject to registration under the laws of this state, for dam-
14 ages, including damages for care and loss of services, because of
15 bodily injury to or death of a person, or for damages because of
16 injury to or destruction of property, including the loss of use of
17 property, or upon a cause of action on an agreement of settlement for
18 such damages;

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

23 * Sec. 10. AS 28.22 is amended by adding a new section to read:

24 Sec. 28.22.610. SHORT TITLE. This chapter may be cited as the
25 Alaska Mandatory Automobile Insurance Act.

26 * Sec. 11. Section 1 of this Act applies to automobile liability insur-
27 ance policies entered into or renewed on or after the effective date of
28 this Act.

29 * Sec. 12. AS 28.20.230(b) and secs. 17, 18, 19, 20, and 23 of ch. 70,

1 SLA 1984 are repealed.

2 * Sec. 13. This Act takes effect January 1, 1988.