

CS HB

44

SENATE COMMITTEE REPORT

FURTHER

4/27/83

DATE TURNED INTO OFFICE 5/7/88

Mr. President:

Finance Committee considered CSHB 44 (FIN) am
motor vehicle liability insurance and vehicle registration; efd

and recommended

replace with 5 CS CSHB 44 (FIN) same title
 or adopt CS new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted Subsequently drafted by staff & signed by Co-chairman Halford.

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

[Signature]
[Signature]
[Signature]
[Signature]

16.6

OTHER RECOMMENDATIONS

[Signature]
[Signature]

[Signature] **NO REC**
Chairman signature and recommendation

Committee Backup attached



Official Business

Alaska State Legislature

SENATE

Committee on Finance

P.O. Box V
State Capitol
Juneau, Alaska 99811

Letter of Intent
House Bill 44

It is the intent of the Legislature that the Department of Public Safety adopt regulations that do not unreasonably restrict an individual from qualifying as a self-insurer.

A handwritten signature in cursive script that reads "Rick Halford".

Senator Rick Halford
Co-Chairman
Senate Finance Committee

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to motor vehicle liability insurance and vehicle...
Sponsor: Donley
Requestor: Senate State Affairs

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						
TOTAL OPERATING	-0-	16.6	34.0	35.0	-0-	-0-

CAPITAL						
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REVENUE	-0-	25.0	50.0	51.5	53.0	54.6
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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	0	1	1	1	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Page 2.

Prepared by: Charles E. Hosack ^{CRH}
Division: Motor Vehicles ^{4/26/88}

Phone: 269-5551
Date: 4/26/88

Approved by Commissioner: Donley
Agency: Public Safety ^{1/20/88}

Date: _____

Distribution (by preparer):

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

(Same FN for SCS (SA))

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SES CSHB 44 (Jud)

EXPENDITURES:

The above version of the bill 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	.1

TOTAL	16.6
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The above funding is for one-half year because of effective date of January 1, 1989. A 3% inflation factor was used for FY90 and subsequent years.

REVENUES:

Requires a \$1.00 per year increase in registration fees for vehicles under AS 28.10.421(c), of which 49,813 were registered in 1986. Effective date of January 1, 1989, thus \$1.00 fee times 25,000 vehicles is equal to \$25,000 in revenue for FY89.

A 1% growth factor was used for FY91 and subsequent years.

Position Title Motor Vehicle Representative II		No. of Positions 1	Range/Step 9B	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District 7-15
Type of Expenditure		Justification		
1	2	3		
Salary	10.710	<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, 1989</p>		
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		
GF Program Receipts	1005			
Other				

**Request For
New Position**

Agency Public Safety
 BRU Motor Vehicles
 Component Field Services

Page 3 of 3
 Revised Date

FY 89

Original sponsors: Donley, Collins
and Davidson

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 44 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND 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 21.36 is amended by adding a new section to read:

11 Sec. 21.36.045. NOTICE OF LIMITED MOTOR VEHICLE INSURANCE. (a)
12 An insurance policy that provides coverage only against property
13 damage to a motor vehicle and that does not provide liability coverage
14 as required under AS 28.22.010(d) must contain the following statement
15 printed in bold face type: "This policy provides insurance only
16 against damage to the motor vehicle. This policy does not insure
17 against bodily injury, death, or property damage liability and does
18 not satisfy the mandatory motor vehicle liability insurance require-
19 ments of AS 28.22.010."

20 (b) If the insured under (a) of this section is not the owner of
21 the motor vehicle, a copy of the policy shall be provided to the
22 owner.

23 * Sec. 2. AS 21.89.020 is amended by adding a new subsection to read:

24 (f) An automobile liability insurance policy must provide that
25 all expenses and fees, not including counsel fees, incurred because of
26 arbitration or mediation shall be paid as determined by the arbitra-
27 tor.

28 * Sec. 3. AS 28.10.021(a) is amended to read:

29 (a) The owner of a vehicle subject to registration shall apply

1 for registration under this chapter by properly completing the form
2 prescribed by the commissioner under AS 28.05.041. Before the issu-
3 ance of a certificate of registration by the department, the owner
4 shall

5 (1) pay all registration fees and taxes required under this
6 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
7 4481 (Internal Revenue Code of 1954);

8 (2) unless the owner qualifies as a self-insurer under
9 AS 28.20.400, or is exempted from obtaining liability insurance under
10 AS 28.22.200, certify to the department the existence of a motor
11 vehicle liability policy that complies with AS 28.22.200 for the
12 vehicle being registered; in this paragraph, "certify" means to indi-
13 cate by check-off on the vehicle registration form prescribed by the
14 department the existence of a policy of insurance, if a policy is
15 required at that time, and the intention to continue the policy or
16 obtain a policy as required by this subsection; and

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

19 * Sec. 4. AS 28.10.041(a) is amended to read:

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

21 (1) the application contains a false or fraudulent state-
22 ment;

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

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

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

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

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

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

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

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

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

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

22 * Sec. 5. AS 28.10.051 is amended by adding a new subsection to read:

23 (b) Unless the owner qualifies as a self-insurer under AS 28.-
24 20.400, or is exempted from obtaining liability insurance under
25 AS 28.22.200, the department may suspend or revoke the registration of
26 a vehicle that is not insured by a motor vehicle liability policy that
27 complies with AS 28.22.010.

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

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

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

- 11 (1) up to and including 5,000 pounds \$51 [\$50];
- 12 (2) more than 5,000 pounds to and including 12,000 pounds .
- 13 \$86 [\$85];
- 14 (3) more than 12,000 pounds to and including 18,000 pounds
- 15 \$156 [\$155];
- 16 (4) more than 18,000 pounds \$221 [\$220].

17 * Sec. 7. AS 28.10.421 is amended by adding a new subsection to read:

18 (f) The fees collected by the department under this section
 19 shall be deposited in the general fund. The Department of Adminis-
 20 tration shall separately account for three percent of the fees col-
 21 lected under this section and deposited in the general fund. The
 22 annual estimated balance in the account may be used by the legislature
 23 to make appropriations for administration of AS 28.10.021(a) and
 24 AS 28.22 (Alaska Mandatory Automobile Insurance Act).

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

26 (c) In this section, the term "proof of financial responsibility
 27 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
 28 230(b)] and may be established as provided in AS 28.20.

29 * Sec. 9. AS 28.20.400(a) is amended to read:

1 (a) A person in whose name more than 25 vehicles are registered
2 in this state may qualify as a self-insurer by obtaining a certificate
3 of self-insurance issued by the department as provided in (b) of this
4 section. A person in whose name fewer than 25 vehicles are registered
5 qualifies as a self-insurer and shall be issued a certificate of
6 self-insurance, if the person provides proof satisfactory to the
7 department that the person has and will continue to have the ability
8 to pay a judgment for property damage, bodily injury, or both, in the
9 amount of at least \$125,000.

10 * Sec. 10. AS 28.20.630 is amended to read:

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

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

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

28 * Sec. 11. AS 28.22.200 is amended by adding a new subsection to read:

29 (c) In this section, "operator" does not include an employee who

1 operates, during the course and within the scope of the employment, a
2 motor vehicle that is owned or leased by the operator's employer.

3 * Sec. 12. AS 28.22 is amended by adding a new section to read:

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

6 * Sec. 13. Sections 1 and 2 of this Act apply to automobile liability
7 insurance policies entered into or renewed on or after January 1, 1989.

8 * Sec. 14. AS 28.20.230(b) is repealed.

9 * Sec. 15. Sections 17, 18, 19, 20, and 23 of ch. 70, SLA 1984, are
10 repealed.

11 * Sec. 16. Sections 1 - 14 of this Act take effect January 1, 1989.

12 * Sec. 17. Section 15 of this Act takes effect immediately under
13 AS 01.10.070(c).

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

M E M O R A N D U M

May 13, 1987

SUBJECT: Definitions - CSHB 44(Fin)
TO: Representative Al Adams
FROM: Michael F. Ford *m.f.*
Legislative Counsel

The Department of Public Safety has expressed concern over the removal of definitions for the terms "proof" and "proof of financial responsibility for the future" from AS 28.20. The bill presently adds only a definition for a single term, "proof of financial responsibility." After examining every use of these three terms in AS 28.20, I have concluded that by defining "proof of financial responsibility" it is unnecessary to define proof of financial responsibility "for the future" or "proof" because the meaning of each of these latter terms is clear. If a word or term is clear and unmistakable without definition, it would be superfluous and confusing to define it. In short, I do not believe the concerns of the department are valid.

Please contact me if you have further questions.

MFF:mkr
m12/009

April 12, 1987

For

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,

Robert H. Ziegler

Robert H. Ziegler, Sr.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to motor vehicle liability insurance and vehicle...
Sponsor: Donley
Requestor: Senate State Affairs

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						
TOTAL OPERATING	-0-	16.6	34.0	35.0	-0-	-0-

CAPITAL						
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REVENUE	-0-	25.0	50.0	51.5	53.0	54.6
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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	0	1	1	1	0	0
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: 4/26/88

Approved by Commissioner: [Signature]
Agency: Public Safety

Date: _____

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

(Same FN for SCS (SA))

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SES CSHB 44 (Jud)

EXPENDITURES:

The above version of the bill 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	.1

TOTAL 16.6

The above funding is for one-half year because of effective date of January 1, 1989. A 3% inflation factor was used for FY90 and subsequent years.

REVENUES:

Requires a \$1.00 per year increase in registration fees for vehicles under AS 28.10.421(c), of which 49,813 were registered in 1986. Effective date of January 1, 1989, thus \$1.00 fee times 25,000 vehicles is equal to \$25,000 in revenue for FY89.

A 1% growth factor was used for FY91 and subsequent years.

Position Title Motor Vehicle Representative II		No. of Positions 1	Range/Step 9B	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District 7-15
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, 1989</p>				
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		
GF Program Receipts	1005			
Other				

**Request For
New Position**

Agency Public Safety
 BRU Motor Vehicles
 Component Field Services

Page 3 of 3
 Revised Date _____

FY 89

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN, SPENARD

P.O. BOX V, JUNEAU 99811
(907) 465-3892



HB 44 - MANDATORY AUTOMOBILE INSURANCE PROGRAM

By Representative Dave Donley, Sponsor
January 14, 1988

CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE
INTERNATIONAL TRADE
SUB-COMMITTEE

HB 44, a measure to continue Alaska's mandatory automobile insurance program, passed the House on reconsideration today with a 35 - 2 vote.

HB 44 contains five major provisions:

1. Repeals the "sunset" included in the original law that would have ended the program in January 1989.
2. Requires proof of insurance "up front" in order to register a vehicle.
3. Cleans up problems with the financial responsibility section of the law that has been identified through court action since the original law was adopted.
4. Raises the cost of registering some commercial vehicles by \$1 dollar. (Approximately 50,000 commercial vehicles were registered in Alaska in 1987).
5. Amends the arbitration section of the law to allow arbitrations costs to be included in any award.

HB 44 was referred to the House Labor and Commerce, Judiciary and Finance Committee. The Finance Committee version was amended on the floor of the House to correct the effective date (in the original bill: January 1, 1988).

The Department of Public Safety estimates that HB 44 will require one additional clerk position to take care of mail in registration forms, at a cost of \$34,000 per year. The measure will generate approximately \$50,000 per year through increased registration fees.

The number of uninsured drivers in Alaska was estimated at 20 to 40 percent before the mandatory automobile insurance law took effect. The Department now estimates that number at around 10 percent. HB 44 could significantly reduce that number even further.

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN - SPENARD

P.O. BOX V, JUNEAU 99811
(907) 465-3802



CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, MEDICAL AND
SOCIAL SERVICES COMMITTEE
INTERNATIONAL TRADE
COMMITTEE

Wednesday, January 13, 1988

SUMMARY OF COMMITTEE SUBSTITUTES AND REPORTS ON
HB 44 - MANDATORY AUTOMOBILE INSURANCE
Prepared by Representative Dave Donley

D

HOUSE LABOR AND COMMERCE COMMITTEE:

HOUSE L&C CS ADDED A \$1 RAISE IN ALL VEHICLE REGISTRATION FEES, "FIXED" THE SR 22/PROOF OF FINANCIAL RESPONSIBILITY PROBLEM (YOU NOW HAVE TO HAVE INSURANCE ON ANY AND ALL VEHICLES YOU DRIVE) AND DELETED LANGUAGE REQUIRING NOTIFICATION OF CANCELLATION OF INSURANCE FROM ORIGINAL HB 44.

COMMITTEE VOTE WAS: MENARD & FURNACE - NO REC, DONLEY, KOPONEN, ELLIS, BOUCHER, DAVIDSON - DO PASS.

HOUSE JUDICIARY COMMITTEE

HOUSE JUDICIARY COMMITTEE ADDED "PROGRAMS RECEIPT" LANGUAGE (AS PER SPONSOR'S AMENDMENT TO THE COMMITTEE), RAISED THE REGISTRATION FEE BY \$5, AND ADDED "CERTIFY TO THE DEPARTMENT AND *PROVIDE PROOF OF THE EXISTENCE OF A LIABILITY POLICY".

COMMITTEE VOTE WAS: TAYLOR - DO NOT PASS, ULMER, SUND, GRUENBERG, BARNES, NAVARRE, COTTEN - DO PASS

HOUSE FINANCE COMMITTEE:

HOUSE FINANCE COMMITTEE TOOK OUT THE *"PROVIDE PROOF" LANGUAGE AND PUT THE REGISTRATION FEE BACK TO A \$1 RAISE FOR ALL VEHICLES UNDER AS 28.10.421(C) (WHICH COVERS ALMOST ALL COMMERCIAL VEHICLES).

COMMITTEE VOTE WAS: FRANK AND WALLIS - NO REC, ADAMS, POURCHOT, LARSON, BROWN, REIGER, BOYER, SWACKHAMMER, GOLL AND DAVIS - DO PASS.

FISCAL NOTES

THE DEPARTMENT ESTIMATES THE PROGRAM (UNDER THE HOUSE FINANCE VERSION) WILL COST AND ADDITIONAL \$34 THOUSAND/YEAR FOR ONE FULL TIME POSITION TO HANDLE MAIL-IN REGISTRATION. THE \$1 DOLLAR INCREASE IN COMMERCIAL VEHICLE REGISTRATION FEES UNDER THE FINANCE CS WILL GENERATE ABOUT \$50 THOUSAND DOLLARS A YEAR.

THE FISCAL NOTE SUBMITTED BY THE DEPARTMENT BEFORE LANGUAGE REQUIRING *"PROOF" OF INSURANCE AND NOTIFICATION OF CANCELLATION OF INSURANCE, WAS DELETED WAS OVER \$600 THOUSAND DOLLARS.

* * * * *

*"PROOF" WOULD REQUIRE A COPY OF AN INSURANCE POLICY AS OPPOSED TO "CERTIFY" WHICH COULD BE SATISFIED WITH A COPY OF AN INSURANCE BINDER OR A SWORN AFFIDAVIT.



LAWS OF ALASKA

1984

Source

ASSB 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 on the public highways 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 TRANS-
2 NESS IN THIS STATE], shall contain limits in at least
3 prescribed for a motor vehicle liability policy in AS 28.22.010
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 coverage
9 prescribed in AS 28.20.440 and 28.20.445, or AS 28.22.010
10 with limits equal to at least the limit purchased voluntarily
11 the insured person's liability for bodily injury or death
12 protection of the persons insured under the policy who
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 AS
16 010.

17 (d) An insurance company offering automobile liability
18 in this state for injury to or destruction of property shall
19 coverage prescribed in AS 28.20.440 and 28.20.445, or AS 28.22.010
20 28.22.130, with limits not less than those prescribed in AS 28.22.010
21 or AS 28.22.010, to cover the insured person's liability for injury
22 or destruction of property, for the protection of the persons
23 under the policy who are legally entitled to recover damages
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 section
27 be waived in writing by the insured in whole or in part. After
28 cation of the limits by the insured or the exercise of the option
29 waive the coverage in whole or in part, the insurer is not required

...E CARRIER AUTHORIZED TO TRANSACT B...
...tain limits in at least the...
...liability policy in AS 28.20.440...
...), AND MEET THE REQUIREMENTS OF AS 2...
...ROVIDED IN THAT PARAGRAPH].
...d by adding new subsections to read...
...offering automobile liability insur...
...y or death shall offer coverage...
...28.20.445, or AS 28.22.010 - 28.22.1...
...the limit purchased voluntarily...
...for bodily injury or death...
...red under the policy who are...
...bodily injury or death from o...
...erinsured motor vehicles. The...
...the limit in AS 28.20.440 or AS 28.2...
...offering automobile liability insur...
...destruction of property shall...
...).440 and 28.20.445, or AS 28.22.0...
...than those prescribed in AS 28.20.4...
...nsured person's liability for injury...
...the protection of the persons...
...lly entitled to recover damage...
...covered motor vehicle from...
...nsured motor vehicles.
...under (c) and (d) of this section...
...red in whole or in part. After...
...red or the exercise of the option...
...n part, the insurer is not required...

...ify any policy holder in any renewal, supplemental or replacement
...policy, as to the availability of the coverage or optional limits, and
...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.

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

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

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
instruction permit, or renewal of a driver's license or an instruction
permit, the department shall provide the applicant written information
explaining the state's financial responsibility law, the mandatory
automobile insurance requirement, and potential penalties for failure
to comply with the law.

AS 28.15.081(a) is amended to read:

(2) The department shall examine every applicant for a driver's
license. The examination shall include a test of the applicant's (1)
weight, (2) ability to read and understand official traffic control
devices, (3) knowledge of safe driving practices, (4) knowledge of the
effects of alcohol and drugs on drivers and the dangers of driving
under the influence of alcohol or drugs, [AND] (5) knowledge of the
[AS 28.15.081(a)] driving while intoxicated, (6) knowledge of the
state's financial responsibility and mandatory automobile liability
insurance, 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
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 cant seeks a license.

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

11 Sec. 28.15.211. PERIODS OF LIMITATION, SUSPENSION OR
12 TION; OPPORTUNITY FOR HEARING AND SURRENDER OF LICENSE. (a)
13 for a point system suspension or revocation under AS 28.15.241
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
16 person whose driver's license or privilege to drive a motor
17 this state has been suspended or revoked may not apply for
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 pended or revoked for a first conviction of the particular
22 from which the suspension or revocation resulted;

23 (2) three months from the date on which the license
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 pended or revoked for a third or subsequent conviction within
29 consecutive months of the same offense from which the suspension

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
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 a
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 in
8 accident, and if the accident has resulted in injury to, or
9 ction of, property to a limit of not less than \$25,000 [\$10,
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, use
17 or use of a vehicle subject to registration under the laws of
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 a
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 accident
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
28 isfiled when

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

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

(b) is amended to read:

"proof of financial responsibility for the future" means proof of ability to respond in the amount of an accident occurring after the effect of which arises out of the ownership, maintenance, or use of a motor vehicle subject to registration under the laws of this state, of not less than \$50,000 [\$25,000] because of bodily injury to or death of one person in any one accident, and, subject to the same limit, of not less than \$100,000 [\$50,000] because of bodily injury to or death of two or more persons in any one accident, and, subject to the same limit, of not less than \$25,000 [\$10,000] because of injury to or death of others in any one accident. In [AS USED IN THIS CHAPTER] "proof of financial responsibility" or "proof of financial responsibility for the future."

(a) is amended to read:

[PURPOSE OF] this chapter, a judgment is entered in favor of a person injured because of [BODILY INJURY TO OR DEATH OF ONE PERSON] if \$25,000 is credited upon a judgment given in

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 one 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 insured, 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 insured or underinsured motor vehicle; this coverage shall conform to
5 the provisions of AS 28.20.445 [, EXCEPT THAT THIS COVERAGE IS
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 insured motorists coverage may be reduced by

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

19 (2) amounts paid or payable under valid and collectible
20 automobile medical payments insurance or bodily injury or death
21 liability 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 insurance, or under more than one coverage if two or more vehicles
27 are insured under one policy, the maximum amount an insured may be
28 covered 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

ed or underinsured motor vehicles
or damage to or destruction of prop-
erty, maintenance or use of the motor
vehicle; this coverage shall comply with:

(1) EXCEPT THAT THIS COVERAGE MAY BE
OFFERED ON OR BEFORE THE EFFECTIVE DATE

adding a new section to read:

AND UNDERINSURED MOTORISTS COVERAGE

The insurance carrier under the motor
vehicle coverage required to be offered under

reference between the coverage limit and
the insured by or on behalf of the insured.

the uninsured motorists and underinsured
coverage shall be reduced by

the amount payable under any worker's compensation

benefit payable under valid and collectible
worker's compensation or bodily injury or death liability

coverage on behalf of the uninsured or underinsured

motorist. If the insured is covered under more than one
policy of motor vehicle liability coverage, the maximum

amount of any one policy or coverage shall not exceed the

maximum amount an insured may receive under any one policy or coverage.

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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 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 in 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 (E) If both the owner and operator of the uninsured vehicle
2 unknown, payment under the uninsured and underinsured motorists
3 age 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 to or destruction of property is subject to a deductible of
10 any one accident, but the insurer may offer a deductible other
11 \$250. This coverage shall be limited to damage to or destruction
12 the insured motor vehicle. It shall not include loss of use of
13 vehicle.

14 (h) "Underinsured motor vehicle" means a motor vehicle
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

operator of the uninsured vehicle
 ed and underinsured motorists
 direct physical contact between
 red motor vehicles has occurred.
 the accident with an insured
 if the person insured reports
 ities within 24 hours.

nsured motorists coverage for
 subject to a deductible of \$250
 may offer a deductible other
 ited to damage to or destruction
 all not include loss of use of

icle" means a motor vehicle lic
 he ownership, operation, mainte
 ere is a bodily injury or prop
 applicable at the time of the au
 r bond

limit for uninsured and underins
 ed's policy; or

y payments to persons other than
 to less than the limit for un
 e under the insured's policy.

ng a new chapter to read:
 E LIABILITY INSURANCE.

ENERAL POLICY PROVISIONS.

ICLE LIABILITY POLICY. (a)

nce shall

ption or appropriate reference

articles 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:

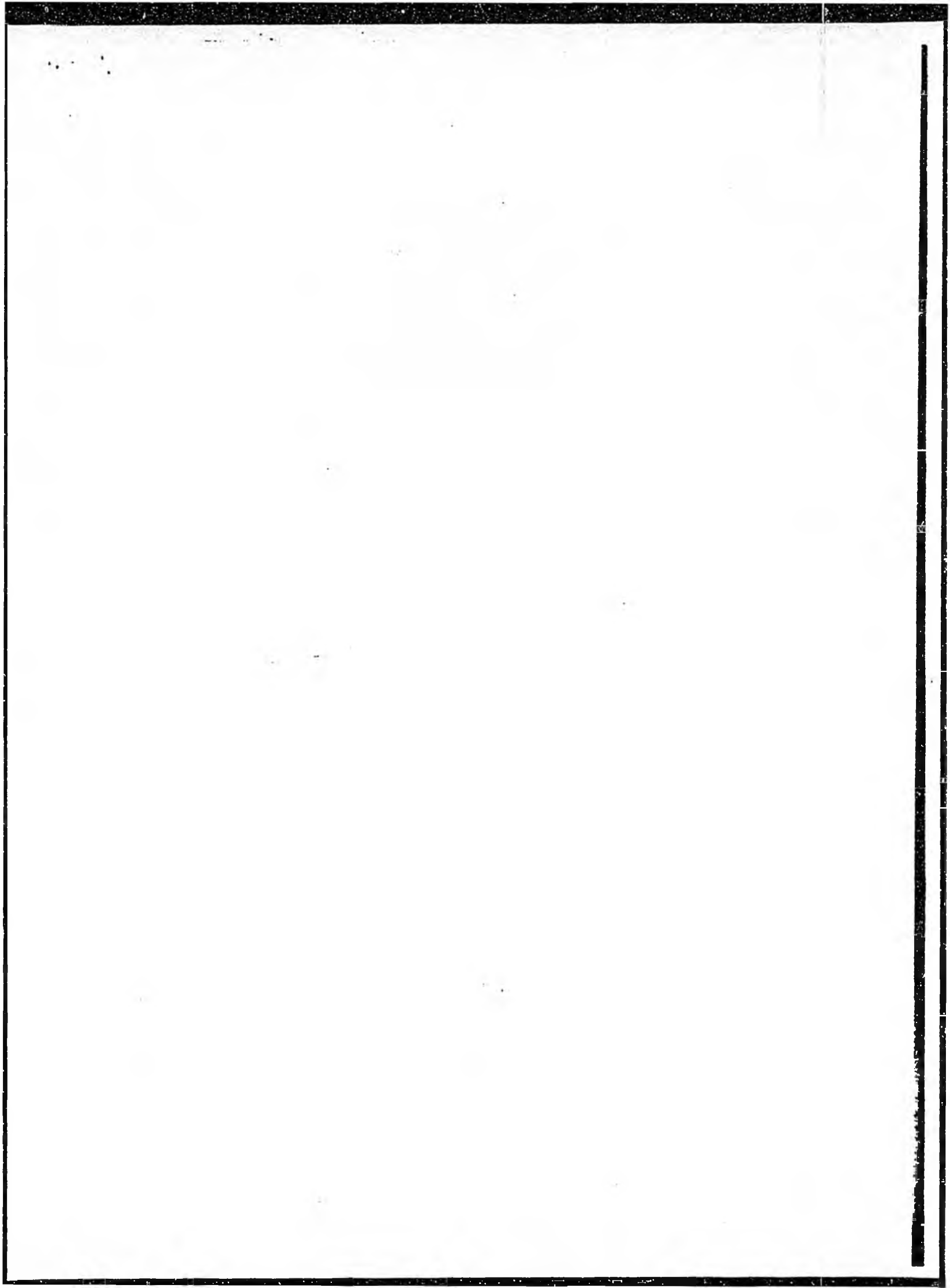
(A) \$50,000 because of bodily injury to or death of one person in any one accident, and, subject to the same limit for one person, \$100,000 because of bodily injury to or death of two or more persons in any one accident; and

(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 statement 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 judge
7 injury or damages is not a condition precedent to the right of a
8 the insurance carrier to make payment on account of injury or in-

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
15 provisions of this chapter constitute the entire contract betwe
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 cov-
21 is not subject to the provisions of this chapter. With respect
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

(d) of this section for bodily injury
both.

PROVISIONS THAT ARE IMPLIED. A policy is
subject to the following provisions
contained in the policy:
1. Payment by the insured of a judgment
condition precedent to the right or duty
payment on account of injury or damage.
2. An insurer may settle a claim covered by
this policy in good faith, the amount of settlement
within the limits of liability specified in AS 28.22.010.

3. A written application for the policy.
4. A settlement that does not conflict with the policy.
5. To constitute the entire contract between the insured and the insurer.

OR ADDITIONAL COVERAGE. (a) A policy may provide for a motor vehicle liability policy in excess of or in addition to the coverage provided in this chapter. With respect to such additional coverage, the terms of this chapter apply only to that part of the coverage that is not provided for in this chapter.

6. Excluded from the application of this chapter is a motor vehicle liability coverage provided on a non-admitted basis.

7. A motor vehicle liability policy may be issued in conjunction with other valid insurance.

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, and unless it complies with the 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 date of its most recent renewal of it, unless the insurance or surety company issuing the policy is authorized to do business in the state, or if the insurance 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 upon the policy arising out of the accident.

(c) The requirements for a motor vehicle liability policy may be satisfied by the policies of one or more insurance carriers who together 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. (e) The
19 liability of the insurance carrier under the uninsured and underinsured
20 motorists coverage required under this chapter shall be the
21 difference between the coverage limit of liability and the amount
22 to the insured by or on behalf of the uninsured and underinsured
23 motorist.

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

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

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

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motorcycle 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. 29.22.130. 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

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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 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 meet the requirements of (a)(1) of this section. This list shall be available for public inspection at all divisions 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 bodily injury to or

INSURANCE REQUIRED.

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

is being driven or moved on a highway or parking place in the state that is a vehicular way to connected state highway system, or a vehicular way with an average speed limit of 499; and

has not been cited within the preceding 12 months in violation with a demerit point value of 12 or more as determined under regulations adopted under AS 28.22.221.

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

METHOD OF PROOF OF MOTOR VEHICLE LIABILITY. The owner of a motor vehicle required to have liability insurance that complies with this chapter or that complies with AS 28.20.400. If that 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

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, endorsement, or insurance binder that was in effect at the time of the accident to the department for inspection;

(2) provide the department with written certification from an 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 section.

Sec. 28.22.230. METHOD OF PROOF FOLLOWING A CHARGE OF A MOVING VIOLATION. (a) A person charged with a traffic law violation shall be required to prove that a motor vehicle liability insurance policy or a certificate of self-insurance was in effect under AS 28.22.210 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 violation is later.

Sec. 28.22.230. METHOD OF PROOF FOLLOWING A CHARGE OF A MOVING VIOLATION. (a) A person charged with a traffic law violation shall be required to prove that a motor vehicle liability insurance policy or a certificate of self-insurance was in effect under AS 28.22.210 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 violation is later.

Chapter 70

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

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

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

(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.

(2) 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.

(c) 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
2 under AS 28.05.121 - 28.05.141. Suspension of a person's license
3 stayed until final disposition of the hearing under this section.

4 Sec. 28.22.250. FALSIFICATION OF INFORMATION. A person
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
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
12 privileges may be restored or limited license privileges are
13 under AS 28.22.240(c).

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

Chapter 70

obtaining 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

(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 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(a), 28.15.081(a)(6), and 28.15.12 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
1988 LEGISLATIVE SESSION

BILL VERSION: CSHB 44 (FIN)
PUBLISH DATE: HOUSE 1/13/88

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						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

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)

[Empty box for analysis]

Prepared by: Al Adams, Chair *APA* 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)

4/27/88
FN not put in SFC files
Error or outdated FN

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
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>				
Type of Expenditure		Amount		
1	2	3		
Salary	10,720			
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				

**Request For
New Position**

Agency Public Safety
 BRU Motor Vehicles
 Component Field Services

Page 3 of 3
 Revised Date

FY 88

CSHB 44 (Fin)
 1/13/88

Original sponsors: Donley, Collins
and Davidson

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

SENATE CS FOR CS FOR HOUSE BILL NO. 44 (Judiciary)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

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

7

8

9

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

10

* Section 1. AS 21.36 is amended by adding a new section to read:

11

Sec. 21.36.045. NOTICE OF LIMITED MOTOR VEHICLE INSURANCE. (a)

12

An insurance policy that provides coverage only against property
damage to a motor vehicle and that does not provide liability coverage
as required under AS 28.22.010(d) must contain the following statement
printed in bold face type: "This policy provides insurance only
against damage to the motor vehicle. This policy does not insure
against bodily injury, death, or property damage liability and does
not satisfy the mandatory motor vehicle liability insurance require-
ments of AS 28.22.010."

13

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20

(b) If the insured under (a) of this section is not the owner of
the motor vehicle, a copy of the policy shall be provided to the
owner.

21

22

23

* Sec. 2. AS 21.89.020 is amended by adding a new subsection to read:

24

(f) An automobile liability insurance policy must provide that
all expenses and fees, not including counsel fees, incurred because of
arbitration or mediation shall be paid as determined by the arbitra-
tor.

25

26

27

28

* Sec. 3. AS 28.10.021(a) is amended to read:

29

(a) The owner of a vehicle subject to registration shall apply

1 for registration under this chapter by properly completing the form
2 prescribed by the commissioner under AS 28.05.041. Before the issu-
3 ance of a certificate of registration by the department, the owner
4 shall

5 (1) pay all registration fees and taxes required under this
6 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
7 4481 (Internal Revenue Code of 1954);

8 (2) unless the owner qualifies as a self-insurer under
9 AS 28.20.400, or is exempted from obtaining liability insurance under
10 AS 28.22.200, certify to the department the existence of a motor
11 vehicle liability policy that complies with AS 28.22.200 for the
12 vehicle being registered; in this paragraph, "certify" means to indi-
13 cate by check-off on the vehicle registration form prescribed by the
14 department the existence of a policy of insurance, if a policy is
15 required at that time, and the intention to continue the policy or
16 obtain a policy as required by this subsection; and

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

19 * Sec. 4. AS 28.10.041(a) is amended to read:

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

21 (1) the application contains a false or fraudulent state-
22 ment;

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

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

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

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

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

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

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

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

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

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

22 * Sec. 5. AS 28.10.051 is amended by adding a new subsection to read:

23 (b) Unless the owner qualifies as a self-insurer under AS 28.-
24 20.400, or is exempted from obtaining liability insurance under
25 AS 28.22.200, the department may suspend or revoke the registration of
26 a vehicle that is not insured by a motor vehicle liability policy that
27 complies with AS 28.22.010.

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

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

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

- 11 (1) up to and including 5,000 pounds \$51 [\$50];
- 12 (2) more than 5,000 pounds to and including 12,000 pounds .
13 \$86 [\$85];
- 14 (3) more than 12,000 pounds to and including 18,000 pounds
15 \$156 [\$155];
- 16 (4) more than 18,000 pounds \$221 [\$220].

17 * Sec. 7. AS 28.10.421 is amended by adding a new subsection to read:
18 (f) The fees collected by the department under this section
19 shall be deposited in the general fund. The Department of Adminis-
20 tration shall separately account for three percent of the fees col-
21 lected under this section and deposited in the general fund. The
22 annual estimated balance in the account may be used by the legislature
23 to make appropriations for administration of AS 28.10.021(a) and
24 AS 28.22 (Alaska Mandatory Automobile Insurance Act).

25 * Sec. 8. AS 28.15.255(c) is amended to read:
26 (c) In this section, the term "proof of financial responsibility
27 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
28 230(b)] and may be established as provided in AS 28.20.

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

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

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

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

18 * Sec. 10. AS 28.22.200 is amended by adding a new subsection to read:

19 (c) In this section, "operator" does not include an employee who
20 operates, during the course and within the scope of the employment, a
21 motor vehicle that is owned or leased by the operator's employer.

22 * Sec. 11. 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. 12. Sections 1 and 2 of this Act apply to automobile liability
26 insurance policies entered into or renewed on or after January 1, 1989.

27 * Sec. 13. AS 28.20.230(b) is repealed.

28 * Sec. 14. Sections 17, 18, 19, 20, and 23 of ch. 70, SLA 1984, are
29 repealed.

- 1 * Sec. 15. Sections 1 - 13 of this Act take effect January 1, 1989.
- 2 * Sec. 16. Section 14 of this Act takes effect immediately under
- 3 AS 01.10.070(c).

Original sponsors: Donley, Collins
and Davidson

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 44 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND 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 21.36 is amended by adding a new section to read:

11 Sec. 21.36.045. NOTICE OF LIMITED MOTOR VEHICLE INSURANCE. (a)

12 An insurance policy that provides coverage only against property
13 damage to a motor vehicle and that does not provide liability coverage
14 as required under AS 28.22.010(d) must contain the following statement
15 printed in bold face type: "This policy provides insurance only
16 against damage to the motor vehicle. This policy does not insure
17 against bodily injury, death, or property damage liability and does
18 not satisfy the mandatory motor vehicle liability insurance require-
19 ments of AS 28.22.010."

20 (b) If the insured under (a) of this section is not the owner of
21 the motor vehicle, a copy of the policy shall be provided to the
22 owner.

23 * Sec. 2. AS 21.89.020 is amended by adding a new subsection to read:

24 (f) An automobile liability insurance policy must provide that
25 all expenses and fees, not including counsel fees, incurred because of
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29 (a) The owner of a vehicle subject to registration shall apply

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2 prescribed by the commissioner under AS 28.05.041. Before the issu-
3 ance of a certificate of registration by the department, the owner
4 shall

5 (1) pay all registration fees and taxes required under this
6 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
7 4481 (Internal Revenue Code of 1954);

8 (2) unless the owner qualifies as a self-insurer under
9 AS 28.20.400, or is exempted from obtaining liability insurance under
10 AS 28.22.200, certify to the department the existence of a motor
11 vehicle liability policy that complies with AS 28.22.200 for the
12 vehicle being registered; in this paragraph, "certify" means to indi-
13 cate by check-off on the vehicle registration form prescribed by the
14 department the existence of a policy of insurance, if a policy is
15 required at that time; and

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

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

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21 ment;

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

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

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

29 (5) the department has reasonable grounds to believe that

1 the vehicle was stolen or fraudulently acquired or that the granting
2 of registration would be a fraud against the rightful owner or other
3 person having a valid lien upon the vehicle;

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

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

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

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

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

16 (11) the applicant fails to certify to the department the
17 existence of a motor vehicle liability policy that complies with
18 AS 28.22.010 for the vehicle being registered, unless the owner of the
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22 (b) Unless the owner qualifies as a self-insurer under AS 28.-
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28 (c) The annual registration fees under this subsection are
29 imposed and are based upon the actual unladen weight as established by

1 the manufacturer's advertised weight or upon the actual weight which
2 the owner shall furnish, subject to the approval of the commissioner
3 or the commissioner's representative, for a vehicle, including a motor
4 vehicle pulling a trailer or semi-trailer, used or maintained for the
5 transportation of passengers for hire, excepting taxicabs and buses
6 under (b) of this section, or for the transportation of property for
7 hire or for other commercial use, including a commercial vehicle such
8 as a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambu-
9 lance, and tractor, as follows:

- 10 (1) up to and including 5,000 pounds \$51 [\$50];
- 11 (2) more than 5,000 pounds to and including 12,000 pounds .
- 12 \$86 [\$85];
- 13 (3) more than 12,000 pounds to and including 18,000 pounds
- 14 \$156 [\$155];
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18 shall be deposited in the general fund. The Department of Adminis-
19 tration shall separately account for three percent of the fees col-
20 lected under this section and deposited in the general fund. The
21 annual estimated balance in the account may be used by the legislature
22 to make appropriations for administration of AS 28.10.021(a) and
23 AS 28.22 (Alaska Mandatory Automobile Insurance Act).

24 * Sec. 8. AS 28.15.255(c) is amended to read:
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29 Sec. 28.20.630. DEFINITIONS [DEFINITION]. In this chapter,

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

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

17 * Sec. 10. AS 28.22.200 is amended by adding a new subsection to read:

18 (c) In this section, "operator" does not include an employee who
19 operates, during the course and within the scope of the employment, a
20 motor vehicle that is owned or leased by the operator's employer.

21 * Sec. 11. AS 28.22 is amended by adding a new section to read:

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

24 * Sec. 12. Sections 1 and 2 of this Act apply to automobile liability
25 insurance policies entered into or renewed on or after January 1, 1989.

26 * Sec. 13. AS 28.20.230(b) is repealed.

27 * Sec. 14. Sections 17, 18, 19, 20, and 23 of ch. 70, SLA 1984, are
28 repealed.

29 * Sec. 15. Sections 1 - 13 of this Act take effect January 1, 1989.

1 * Sec. 16. Section 14 of this Act takes effect immediately under
2 AS 01.10.070(c).

Original sponsors: Donley, Collins
and Davidson

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 44 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND 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 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 larce, 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 (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 January 1, 1989 .
10 * Sec. 11. AS 28.20.230(b) is repealed.
11 * Sec. 12. Sections 17, 18, 19, 20, and 23 of ch. 70, SLA 1984, are
12 repealed.
13 * Sec. 13. Sections 1 - 11 of this Act take effect January 1, 1989.
14 * Sec. 14. Section 12 of this Act takes effect immediately under
15 AS 01.10.070(c).

SENATE COMMITTEE REPORT

revd 4/22
arm

5-03400

FURTHER

FINANCE

4/22/88

DATE TURNED INTO OFFICE _____

Mr. President:

_____ JUDICIARY _____ Committee considered _____ CSHB 44 (FIN) am

motor vehicle liability insurance and vehicle registration; efd

Madocly
and recommended

replace with _____ SCS CSHB 44(Jud) same title
[] or adopt _____ CS _____ [] new title

[] attached amendment(s) and

do pass

[] do pass

[] do not pass

[] no recommendation

individual recommendations

[] further referral to _____

[] letter of intent adopted _____

Committee attached or [] adopted fiscal note(s)

new updated or [] previous
[] zero fiscal impact

F of

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Paul J. Josephson

John J. ...

William J. ...

W. ...
Chairman signature and recommendation *Do pass*

[] Committee Backup attached

SENATE COMMITTEE REPORT

5-0340M

FURTHER Judiciary
Finance

DATE TURNED INTO OFFICE 4-21-88

1/15/88
Mr. President:

State Affairs Committee considered CSHB 44 (FIN) am
motor vehicle liability insurance and vehicle registration; efd

and recommended

replace with 5 CS CSHB 44 (SA) (f) same title
 or adopt CS new title

attached amendment(s) and *+ reports it back as follows*

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

Joe Stroh

OTHER RECOMMENDATIONS

Do Not Pass

Ben Aldrich
Chairman signature and recommendation

Committee Backup attached