

ALASKA LEGISLATURE COMMITTEE FILES 1983 - 1984 86/2

2687 SLC HB 7 (FILE 6)

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other deductibles if desired. The property damage feature covers only damage to the vehicle and requires direct physical contact between the uninsured/underinsured and insured vehicles. Hit and run motorists are presumed to be uninsured motorists. The priority of policies is described to clarify when the coverage is triggered.

- - - - - Section 10.

These new subsections relate to the uninsured/underinsured motorist coverage. In (L) maximum liability is clarified. In (M) reductions of coverage are noted. In (N) the stacking of coverage is treated. In (O) exclusions of coverage are listed.

Section 15. - - - - -

These changes are appropriate to a law where proof is at the point of licensure or registration. We believe (M) to be unworkable since the card only represents a policy in force at the time of its issue. This section has been removed from the alternate.

Section 16. Section 14.

This section amends a part of the financial responsibility law to increase the limits. The section deals with the posting of cash or securities for proof of financial responsibility for the future. This tends to be inconsistent with a requirement that insurance be the method of proof. It has been repealed in the alternate.

Section 17. Section 11.

.010 .010

In the House passed version of this legislation, .010 repeats the language found in the financial responsibility law (AS 28.20.440). This causes a policy proposed to be issued under that bill to be broader than one now purchased voluntarily. Since such a policy would be substantially exclusionless with insurer defenses inoperable, the cost for a policy would ultimately reflect the broadened coverage. To avoid this, (b)(2) dealing with who must be covered has been modified and (f)(1) dealing with the absolute liability provision has been removed. The financial responsibility law would be broader in its policy requirements and this is appropriate since it deals with those persons who have generally demonstrated that they are not financially responsible. Other changes in .010 are discussed under section 14 of the House passed bill and sections 9 and 10 of this alternate draft. Within the alternate, AS 28.22.010 substantially tracks AS 28.20.440. 010(a) is similar to 440(a); .010(b)(1) is identical to .440(h)(1); .010(c) is identical to .440(c); .010(d) is similar to .440(d); .440(e) is not duplicated in .010; .440(f)(1) is not duplicated in .010; .010(f)(1) is identical to .440(f)(2); .010(f)(2) is identical to .440(f)(3); .010(f)(3) is identi-

cal to .440(f)(4); .010(g) is identical to .440(g); .440(h) is not duplicated in .010; .010(i)-(o) are identical to .440(i)-(o).

.020 .020

This section is the same in both versions.

.500(a) .030(a)

This section requires that a motor vehicle liability insurance policy be in effect when a vehicle is operated. This has been restructured to reflect the difference between the points of proof on which the two bills are based.

.500(b) - - - - -

Removed since point of proof is at violation or accident.

- - - - - .030(b)

Establishes accident point of proof.

- - - - - .030(c)

Establishes traffic violation point of proof. Accidents used as point of proof will be those developing six points or more on the demerit schedule.

.500(c) - - - - -

This section has been removed since the alternate utilizes the civil or administrative approach rather than criminal.

.500(d) .060

This section has been removed as a criminal provision and replaced with an administrative suspension provision.

- - - - - .030(d) and (e)

These sections deal with exemption for persons in very small communities not connected with other communities which have or add to a traffic volume of more than 499 vehicles per day.

- - - - - .040

Establishes the method of proof following an accident.

- - - - -

.060

This section establishes an administrative suspension of driver's license for failure to provide proof when required. The language is similar to suspension language in AS 28.15.251(e) and (f).

- - - - -

.070

Requires a three year financial responsibility filing following suspension for noncompliance with the mandatory provisions of this proposal.

510

- - - - -

This section deals with forfeiture of the motor vehicle. It has been removed from the alternate since forfeiture is a criminal remedy and the alternate uses an administrative approach.

.520

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Section on unused automobiles not needed under the alternate since point of proof is different. Tags do not have to be returned during layup periods. Section removed.

.530

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The report requirements have been removed since there is no reasonable way to develop the base data. Any information developed would be subject to substantial subjectivity and in our opinion would be useless.

Section 18.

Section 12

This is similar in all versions of the legislation and appears as Section 2 in the Senate CS.

Section 19.

Section 13.

This is similar in all versions of the legislation and appears as Section 3 in the Senate CS. The alternate addresses a mandated offer for higher limits of bodily injury uninsured/underinsured motorist coverage.

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Section 14

This is the repeal section. Two sections of the financial responsibility law are repealed because they deal with cash or securities as a means of providing financial responsibility for the future. This is inconsistent with a mandatory automobile insurance requirement.

2-17-84  
DRAFT

1 IN THE LEGISLATURE OF THE STATE OF ALASKA  
2 THIRTEENTH LEGISLATURE - SECOND SESSION  
3 A BILL  
4

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

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

8 \*Section 1. DECLARATION OF PURPOSE. The legislature is concerned  
9 over the rising toll of motor vehicle accidents and the suffering  
10 and loss inflicted by them. The legislature determines that it is  
11 a matter of grave concern that motorists be financially responsible  
12 for their negligent acts so that innocent victims of motor vehicle  
13 accidents may be recompensed for the injury and financial loss  
14 inflicted upon them. The legislature finds and declares that the  
15 public interest can best be served by the requirement that both the  
16 owner and the operator of a motor vehicle which is to be operated  
17 on vehicular ways of the state where the potential for motor vehicle  
18 accidents is substantial be required to maintain coverage under a  
19 motor vehicle liability policy issued in conformity with AS 28.22.010  
20 or of a certificate of self-insurance issued under AS 28.20.400.  
21 The legislature also finds and declares that the most economical  
22 and practical time of proof of compliance with this requirement is  
23 when an operator of a motor vehicle has been involved in a reportable  
24 accident or charged with a moving traffic violation.

25 \*Sec. 2. AS 28.10.021 is amended by adding a new subsection to  
26 read:

27 (b) At the time of application for registration or renewal of  
28 registration, the department shall provide the applicant, in writing,  
29 information detailing the state's financial responsibility law,  
30 mandatory automobile insurance requirement, and potential penalties  
31 for failure to comply with the law.

32 \*Sec. 3. AS 28.15.061 is amended by adding a new subsection to

1 read:

2 (e) At the time of application for driver's license or  
3 instruction permit, or renewal of driver's license or instruction  
4 permit, the department shall provide the applicant, in writing,  
5 information detailing the state's financial responsibility law,  
6 mandatory automobile insurance requirement, and potential penalties  
7 for failure to comply with the law.

8 \*Sec. 4. AS 21.15.081(a) is amended to read:

9 (a) The department shall examine every applicant for a  
10 driver's license. The examination shall include a test of the  
11 applicant's (1) eyesight, (2) ability to read and understand  
12 official traffic devices, (3) knowledge of safe driving practices,  
13 (4) knowledge of the effects of alcohol and drugs on drivers and  
14 the dangers of driving under the influence of alcohol or drugs,  
15 [AND] (5) knowledge of the laws relating to driving while intoxi-  
16 cated, (6) knowledge of the laws relating to financial respon-  
17 sibility and mandatory automobile liability insurance, and, (7)  
18 the traffic laws and regulations of this state. The examination  
19 may include a demonstration of ability to exercise ordinary and  
20 reasonable control in driving a motor vehicle of the type and  
21 general class of vehicles for which the applicant seeks a license.  
22 However, an applicant who has not been previously issued a driver's  
23 license by this or another jurisdiction must demonstrate ability,  
24 and must present medical information that the department reasonably  
25 requires to determine fitness to safely drive a motor vehicle of  
26 the type and general class of motor vehicles for which the applicant  
27 seeks a license.

28 \*Sec. 5. AS 28.20.070(a) is amended to read:

29 (a) No policy or bond is effective under AS 28.20.060 unless  
30 it is issued by an insurance company or surety company authorized  
31 to do business in this state, except as provided in (b) of this  
32 section, and if the accident resulted in bodily injury or death,

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

10 \*Sec. 6. AS 28.20.230(b) is amended to read:

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

25 \*Sec. 7. AS 28.20.360(a) is amended to read:

26 (a) For the purpose of this chapter, a judgment is satisfied  
27 when

28 (1) \$50,000 [\$25,000] is credited upon a judgment given  
29 in excess of that amount because of bodily injury to or death of  
30 one person as the result of any one accident; or

31 (2) subject to the limit of \$50,000 [\$25,000] because of  
32 bodily injury to or death of one person, the sum of \$100,000 [\$50,000]

1 is credited upon a judgment given in excess of that amount because  
2 of bodily injury to or death of two or more persons as the result  
3 of any one accident; or

4 (3) \$25,000 [\$10,000] is credited upon a judgment given  
5 in excess of that amount because of injury to or destruction of  
6 property of others as a result of any one accident.

7 \*Sec. 8. AS 28.20.440(b)(2) is amended to read:

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

20 \*Sec. 9. AS 28.20.440(b)(3) is amended to read:

21 (3) contain coverage in not less than the amounts set  
22 out in (2) of this subsection for the protection of the persons  
23 insured under the policy who are legally entitled to recover  
24 damages from owners or operators of uninsured or underinsured motor  
25 vehicles because of bodily injury or death, or damage to or des-  
26 truction of property in excess of \$250 arising out of the owner-  
27 ship, maintenance or use of the uninsured or underinsured motor  
28 vehicle[, EXCEPT THAT THIS COVERAGE MAY BE WAIVED IN WRITING BY THE  
29 INSURED ON OR BEFORE THE EFFECTIVE DATE OF THE POLICY].

30 (A) "Underinsured motor vehicle" means a motor  
31 vehicle licensed for highway use with respect to the owner-  
32 ship, operation, maintenance or use of which motor vehicle

1 there is a bodily injury or property damage insurance policy  
2 or a bond applicable at the time of the accident and the  
3 amount of insurance or bond:

4 (i) is less than the limit for uninsured and  
5 underinsured motorists coverage under the insured's  
6 policy; or

7 (ii) has been reduced by payments to persons  
8 other than an insured, injured in an accident, to less  
9 than the limit for uninsured and underinsured motorists  
10 coverage under the insured's policy.

11 (B) The uninsured and underinsured motorists  
12 coverage provided for in this chapter:

13 (i) shall not apply to bodily injury, sickness,  
14 disease or death of an insured or damage to or destruction  
15 of property of an insured until the limits of liability  
16 of all bodily injury and property damage liability bonds  
17 and policies that apply have been used up by payments,  
18 judgments or settlements;

19 (ii) shall be a single combined coverage; and

20 (iii) may be rejected by the insured in  
21 writing. If the insured has rejected such coverage, the  
22 coverage shall not be included in any supplemental,  
23 renewal or replacement policy unless the insured sub-  
24 sequently requests such coverage in writing.

25 (C) If both the owner and operator of the uninsured  
26 vehicle are unknown, payment under the uninsured and under-  
27 insured motorists coverage shall be made only where direct  
28 physical contact between the insured and uninsured or under-  
29 insured motor vehicles has occurred. A vehicle that has left  
30 the scene of the accident is presumed to be uninsured if the  
31 person insured reports the accident to the appropriate  
32 authorities within 24 hours.

1                    (D) The uninsured and underinsured motorists  
2                    coverage for damage to or destruction of property is subject  
3                    to a deductible of \$250 in any one accident, but the insurer  
4                    may offer a deductible other than \$250. This coverage shall  
5                    be limited to damage to or destruction of the insured motor  
6                    vehicle. It shall not include loss of use of such vehicle.

7 \*Sec. 10. AS 28.20.440 is amended by adding new subsections to read:

8                    (1) The maximum liability of the insurance carrier under the  
9                    uninsured and underinsured motorists coverage required to be offered  
10                   pursuant to AS 28.20.440(b)(3) shall be the difference between the  
11                   coverage limit of liability and the amount paid to the insured by  
12                   or on behalf of the uninsured and underinsured motorist.

13                   (m) Amounts payable under the uninsured motorists and under-  
14                   insured motorists coverage required to be offered pursuant to  
15                   AS 28.20.440(b)(3) shall be reduced by:

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

18                   (2) amounts paid or payable under any valid and col-  
19                   lectible automobile medical payments insurance or bodily injury or  
20                   death liability insurance; and

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

23                   (n) In the event an insured is entitled to uninsured or  
24                   underinsured motorists coverage under more than one policy of motor  
25                   vehicle liability insurance, or under more than one coverage if two  
26                   or more vehicles are insured under one policy, the maximum amount  
27                   an insured may recover shall not exceed the highest limit of any  
28                   one policy or coverage. Where multiple policies or coverages  
29                   apply, payment should be made in the following order of priority,  
30                   subject to the limit of liability for each applicable policy or  
31                   coverage:

32                   (1) a policy or coverage covering a motor vehicle occupied

1 by the injured person at the time of the accident;

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

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

7 (o) The uninsured and underinsured motorists coverage provided  
8 for in this chapter does not apply to bodily injury or death or  
9 damage to or destruction of property of an insured;

10 (1) while occupying a motor vehicle owned by, but not  
11 insured by, the named insured or resident spouse or resident  
12 relative; or

13 (2) through being struck by a vehicle owned by the named  
14 insured, or resident spouse or resident relative.

15 \*Sec. 11. AS 28 is amended by adding a new chapter to read:

16 CHAPTER 22. MOTOR VEHICLE LIABILITY INSURANCE

17 Sec. 28.22.010. MOTOR VEHICLE LIABILITY POLICY (a) In this  
18 chapter "motor vehicle liability policy" means an "owner policy" or  
19 an "operator's policy" containing an agreement or endorsement as  
20 provided in this section and issued by an insurance carrier au-  
21 thorized to transact business in the state to or for the benefit of  
22 the person named as insured.

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

24 (1) designate by description or appropriate reference  
25 all vehicles that it covers;

26 (2) insure the person named against loss from liability  
27 imposed by law for damages arising out of the ownership, main-  
28 tenance, or use of the vehicle in the United States or the Dominion  
29 of Canada, subject to limits exclusive of interests and costs, with  
30 respect to each vehicle, as follows:

31 (A) \$50,000 because of bodily injury to or death of  
32 one person in any one accident, and, subject to the same limit

1 one person, \$100,000 because of bodily injury to or death  
2 two or more persons in any one accident; and

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

5 (3) contain coverage in not less than the amounts set  
6 out in (2) of this subsection for the protection of the persons  
7 insured under the policy who are legally entitled to recover  
8 damages from the owner or operator of an uninsured or underinsured  
9 motor vehicle because of bodily injury or death, or damage to or  
10 destruction of property in excess of \$250 arising out of the owner-  
11 ship, maintenance, or use of the uninsured or underinsured motor  
12 vehicle.

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

19 (i) is such that the limit for uninsured and  
20 underinsured motorists coverage under the insured's  
21 policy; or

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

26 (B) The uninsured and underinsured motorists  
27 coverage provided for in this chapter:

28 (i) shall not apply to bodily injury, sick-  
29 ness, disease or death of an insured or damage to or  
30 destruction of property of an insured until the limits of  
31 liability bonds and policies that apply have been used up  
32 by payments or judgments or settlements;

1 (ii) shall be a single combined coverage; and  
2 (iii) may be rejected by the insured in  
3 writing. If the insured has rejected such coverage, the  
4 coverage shall not be included in any supplemental,  
5 renewal or replacement policy unless the insured sub-  
6 sequently requests such coverage in writing.

7 (C) If both the owner and operator of the uninsured  
8 vehicle are unknown, payment under the uninsured and under-  
9 insured motorists coverage shall be made only where direct  
10 physical contact between the insured and uninsured or under-  
11 insured motor vehicles has occurred. A vehicle that has left  
12 the scene of the accident is presumed to be uninsured if the  
13 person insured reports the accident to the appropriate au-  
14 thorities within 24 hours.

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

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

27 (d) The motor vehicle liability policy shall state the name  
28 and address of the named insured, the coverage, the premium charges,  
29 the policy period and the limits of liability, and shall contain an  
30 agreement or an endorsement that insurance is provided in accordance  
31 with the coverage defined in (b)(2) of this section for bodily  
32 injury and death or property damage, or both.

1 (e) Nothing contained in this chapter shall be interpreted to  
2 prohibit a motor vehicle liability policy from containing limitations,  
3 conditions, exceptions, exclusions or other provisions which them-  
4 selves do not violate the requirements of this chapter or other  
5 applicable laws.

6 (f) Every motor vehicle liability policy is subject to the  
7 following provisions but these provisions need not be contained in  
8 the policy:

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

13 (2) The insurance carrier may settle a claim covered by  
14 the policy, and if settlement is made in good faith, the amount of  
15 settlement is deductible from the limits of liability specified in  
16 (b) of this section.

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

21 (g) A policy that grants the coverage required for a motor  
22 vehicle liability policy may also grant lawful coverage in excess  
23 of or in addition to the coverage specified for a policy and the  
24 excess or additional coverage is not subject to the provisions of  
25 this chapter. With respect to a policy that grants excess or  
26 additional coverage the term "motor vehicle liability policy"  
27 applies only to that part of the coverage that is required by this  
28 section.

29 (h) A policy shall be excluded from the application of this  
30 chapter if the automobile or motor vehicle liability coverage is  
31 provided only on an excess or umbrella basis.

32 (i) A motor vehicle liability policy may provide for pro-

1 ration of the insurance with other valid and collectible insurance.

2 (j) The requirements for a motor vehicle liability policy may  
3 be fulfilled by the policies of one or more insurance carriers who  
4 together meet the requirements.

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

7 (l) The maximum liability of the insurance carrier under the  
8 uninsured and underinsured motorists coverage required to be offered  
9 pursuant to AS 28.22.010(b)(3) shall be the difference between the  
10 coverage limit of liability and the amount paid to the insured by  
11 or on behalf of the uninsured and underinsured motorist.

12 (m) Amounts payable under the uninsured motorists and under-  
13 insured motorists coverage required to be offered pursuant to  
14 AS 28.22.010(b)(3) shall be reduced by:

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

17 (2) amounts paid or payable under any valid and col-  
18 lectible automobile medical payments insurance or bodily injury or  
19 death liability insurance; and

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

22 (n) In the event an insured is entitled to uninsured or  
23 underinsured motorists coverage under more than one policy of motor  
24 vehicle liability insurance, or under more than one coverage if two  
25 or more vehicles are insured under one policy, the maximum amount  
26 an insured may recover shall not exceed the highest limit of any  
27 one policy or coverage. Where multiple policies or coverages  
28 apply, payment should be made in the following order of priority,  
29 subject to the limit of liability for each applicable policy or  
30 coverage:

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

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

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

6 (o) The uninsured and underinsured motorists coverage pro-  
7 vided for in this chapter does not apply to bodily injury or death  
8 or damage to or destruction of property of an insured:

9 (1) while occupying a motor vehicle owned by, but not  
10 insured by, the named insured or resident spouse or resident relative;  
11 or

12 (2) through being struck by a vehicle owned by the named  
13 insured, or resident spouse or resident relative.

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

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

29 Sec. 28.22.030. MOTOR VEHICLE LIABILITY INSURANCE REQUIRED.

30 (a) The operator or owner of a motor vehicle subject to regis-  
31 tration under AS 28.10.011, when driven upon a highway, vehicular  
32 way or area, or other public property in this state, shall have

1 motor vehicle liability insurance that complies with AS 28.22.010  
2 or a certificate of self-insurance that complies with AS 28.20.400  
3 in effect for the motor vehicle.

4 (b) A person involved in an accident in this state resulting  
5 in bodily injury to or death of a person or damage to the property  
6 of any one person exceeding \$500 must prove that a motor vehicle  
7 liability policy was in effect for the motor vehicle involved in  
8 the accident at the time of the accident.

9 (c) A person charged with or otherwise cited for a traffic  
10 law violation with a demerit point value of 6 or more on the point  
11 schedule in regulations adopted by the department under AS 28.15.221  
12 must prove that motor vehicle liability insurance or a certificate  
13 of self-insurance under (a) of this section was in effect for the  
14 motor vehicle operated at the time the charged violation occurred.

15 (d) If a vehicle is being driven or moved on a highway or  
16 vehicular way not connected by a land highway or vehicular way to  
17 the land connected state highway system when that highway or  
18 vehicular way is not connected to a highway or vehicular way with  
19 an average daily traffic volume greater than 499, the operator of  
20 the vehicle is exempt from (a) of this section if the operator has  
21 not been involved in a traffic accident or cited for a traffic law  
22 violation described in (c) of this section within the preceding ten  
23 years.

24 (e) Every three years the Department shall publish a list of  
25 areas that meet the requirements for (d) of this section. The list  
26 shall be available for public inspection at all division of motor  
27 vehicle offices in the state.

28 Sec. 28.22.040. METHOD OF PROOF FOLLOWING A REPORTABLE  
29 ACCIDENT. (a) A person involved in an accident who is required to  
30 prove that a motor vehicle liability policy was in effect pursuant  
31 to AS 28.22.030(b) shall, within 15 days of the accident

32 (1) present a copy of the insurance policy, certificate,

1 bond, or insurance binder to the department for inspection;

2 (2) provide the department with written certification  
3 from an insurance company, insurance agent, insurance broker or  
4 surplus lines broker confirming that as of the time of the accident  
5 a valid motor vehicle liability policy issued in conformity with  
6 AS 28.22.010 was in effect; or,

7 (3) advise the department in writing that a certificate  
8 of self-insurance is in effect.

9 (b) The department shall develop and implement a program to  
10 check the veracity of the documents filed for proof under this  
11 section.

12 (c) Providing information required under this section which  
13 the person does not believe to be true and with the intent to  
14 mislead a public servant in the performance of a duty is a class A  
15 misdemeanor.

16 Sec. 28.22.050. METHOD OF PROOF FOLLOWING A CHARGE OF A  
17 MOVING TRAFFIC VIOLATION. (a) A person charged with or otherwise  
18 cited for a traffic law violation described in AS 28.22.030(c)  
19 shall, at the time of that person's initial appearance in court or  
20 within 15 days of the charged violation, whichever is later, but in  
21 no event later than the final scheduled court appearance in the matter,

22 (1) present a copy of the insurance policy, certificate,  
23 bond, or insurance binder to the court for inspection;

24 (2) provide the court with written certification from an  
25 insurance company, insurance agent, insurance broker or surplus  
26 lines broker confirming that as of the time of the charged  
27 violation a valid motor vehicle liability policy issued in  
28 conformity with AS 28.22.010 was in effect; or

29 (3) advise the court in writing that a certificate of  
30 self-insurance was in effect.

31 (b) Evidence presented to the court in accordance with (a) of  
32 this section shall be presented to the court at the initial ap-

1 pearance, or otherwise to the clerk of the court in which the  
2 matter is pending.

3 (c) The court shall report immediately to the department any  
4 failure to present proof of insurance as provided in this section.

5 Sec. 28.22.060. ADMINISTRATIVE SUSPENSION OF DRIVERS' LICENSES

6 (a) If a person fails to provide proof that motor vehicle liability  
7 insurance was in effect at the time of a reportable accident under  
8 AS 28.22.030(b), or at the time of a charged violation under  
9 AS 28.22.030(c), the department shall suspend the driver's license  
10 of that person for . Such suspension shall be applied  
11 consecutively to any other suspension required by law.

12 (b) When the department proposes to take action against a  
13 driver's license under (a) of this section, it shall notify the  
14 licensee that the proposed action shall become effective 30 days  
15 from the date of the notice, except that the licensee shall have  
16 the right, within the 30-day period, to make an oral or written  
17 answer or statement in which he may controvert any point or issue,  
18 and he may present evidence and arguments for the consideration of  
19 the department pertinent to the action to be taken or the grounds  
20 for the action.

21 (c) Upon receipt of an oral or written answer or statement  
22 from the licensee, the department shall make findings on the matter  
23 under consideration and shall notify the person involved of its  
24 decision in writing by registered mail. If the department's  
25 decision is to sustain an action against the licensee's driver's  
26 license, the department shall notify the licensee of his oppor-  
27 tunity for a hearing under AS 28.05.121 - 28.05.141.

28 Sec. 28.22.070. PROOF FOR THE FUTURE. (a) A person who  
29 violates AS 28.22.030(a) must file proof of financial responsi-  
30 bility for the future pursuant to AS 28.20 before the driving  
31 privilege may be restored or before limited license privileges may  
32 be granted by the court.

1 (b) A filing of proof of financial responsibility under  
2 AS 28.20 shall be required for a period of three years following  
3 expiration of the suspension of license under AS 28.22.060(e).

4 \*Sec. 12. AS 21.89.020(a) is amended to read:

5 (a) An automobile liability policy that [WHICH] insures an  
6 owner or operator of a motor vehicle against loss resulting from  
7 [HIS] liability for bodily injury or death, or for property injury  
8 or destruction, or both, which is sold in the state [AFTER JANUARY 1,  
9 1969, BY AN INSURANCE CARRIER AUTHORIZED TO TRANSACT BUSINESS IN  
10 THIS STATE], shall contain limits in at least the amount prescribed  
11 for a motor vehicle liability policy in AS 28.20.440(b)(2),  
12 [AND] AS 28.20.440(b)(3) AS 28.22.010(b)(2) and AS 28.22.010(b)(3).  
13 [ , AND MEET THE REQUIREMENTS OF AS 28.20.440(b)(3) UNLESS WAIVED AS  
14 PROVIDED IN THAT PARAGRAPH].

15 \*Sec. 13. AS 21.89.020 is amended by adding new subsections to  
16 read:

17 (c) In addition to the coverages and limits required in (a)  
18 of this section, an insurance company offering automobile liability  
19 insurance for bodily injury or death in this state shall offer  
20 coverage, with limits equal to at least the limit purchased volun-  
21 tarily to cover the insured person's liability for bodily injury or  
22 death, for the protection of the persons insured under the policy  
23 who are legally entitled to recover damages for bodily injury or  
24 death from owners or operators of uninsured or underinsured motor  
25 vehicles.

26 (d) The coverage required under (a) of this section to meet  
27 the requirements of AS 28.20.440(b)(3) and AS 28.22.010(b)(3) may  
28 be waived in writing by the insured in whole or in part.

29 \*Sec. 14. AS 28.20.390(3) and AS 28.20.490 are repealed.

30 \*Sec. 15. The Department of Public Safety will conduct a public  
31 information campaign designed to educate the public about changes  
32 in the motor vehicle code introduced with this Act and the potential

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penalties for failure to comply.

\*Sec. 16. Secs. 1-14 of this Act take effect January 1, 1985.

\*Sec. 17. Sec. 15 of this Act takes effect October 1, 1984.

Alternate language for SCS CSSH 7(L&C).

Section 1. AS 28.20.440(b)(3) is amended to read:

(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 owners or operators of uninsured or underinsured motor vehicles because of bodily injury or death, or damage to or destruction of property in excess of \$250 arising out of the ownership, maintenance or use of the uninsured or underinsured motor vehicle [EXCEPT THAT THIS COVERAGE MAY BE WAIVED IN WRITING BY THE INSURED ON OR BEFORE THE EFFECTIVE DATE OF THE POLICY].

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

- (i) is less than the limit for uninsured and underinsured motorists coverage under the insured's policy; or
- (ii) has been reduced by payments to persons other than an insured, injured in an accident, to less than the limit for uninsured and underinsured motorists coverage under the insured's policy.

(B) The uninsured and underinsured motorists coverage provided for in this chapter:

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

(ii) shall be a single combined coverage; and

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

(C) If both the owner and operator of the uninsured vehicle are unknown, payment under the uninsured and underinsured motorists coverage shall be made only where direct physical contact between the insured and uninsured or underinsured motor vehicles has occurred. A vehicle that has left the scene of the accident is presumed to be uninsured if the person insured reports the accident to the appropriate authorities within 24 hours.

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

Section 2. AS 28.20.440 is amended by adding new subsections to read:

(1) The maximum liability of the insurance carrier under the uninsured and underinsured motorists coverage required to be offered pursuant to AS 28.20.440(b)(3) shall be the difference between the coverage limit of liability and the amount paid to the insured by or on

behalf of the uninsured and underinsured motorist.

(m) Amounts payable under the uninsured motorists and underinsured motorists coverage required to be offered pursuant to AS 28.20.440(b)(3) shall be reduced by:

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

(2) amounts paid or payable under any valid and collectible automobile medical payments insurance or bodily injury or death liability insurance; and

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

(n) In the event 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 should 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 which 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 an insured or a named insured.

(o) 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 resident spouse or resident relative; or

(2) through being struck by a vehicle owned by the named insured, or resident spouse or resident relative.

Section 3. AS 21.89.020(a) is amended to read:

(a) An automobile liability policy that [WHICH] insures a 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, which is sold in the state [AFTER JANUARY 1, 1969, BY AN INSURANCE CARRIER AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE], shall contain limits in at least the amount prescribed for a motor vehicle liability policy in AS 28.20.440(b)(2), [AND AS 28.20.440(b)(3), AND MEET THE REQUIREMENTS OF AS 28.20.440(b)(3) UNLESS WAIVED AS PROVIDED IN THAT PARAGRAPH.]

Section 4. AS 21.89.020 is amended by adding new subsections to read:

(c) An insurance company offering or writing automobile liability insurance for bodily injury or death in this state shall offer coverage prescribed in AS 28.20.440(b)(3) and AS 28.20.440(1)-(o), with limits equal to at least the limit purchased voluntarily to cover the insured person's liability for bodily injury or death, for the protection of the persons insured under the policy who are legally entitled to recover damages for bodily injury or death from owners or operators of uninsured or underinsured motor vehicles. In no event may the limit written be less than that set forth in AS 28.20.440(b)(2).

(d) An insurance company offering or writing automobile liability insurance for injury to or destruction of property in this state shall

offer coverage described in AS 28.20.440(b)(3) and AS 28.20.440(1)-(o), with limits not less than those prescribed in AS 28.20.440(b)(2) to cover the insured person's liability for injury to or destruction of property, for the protection of the persons insured under the policy who are legally entitled to recover damages for injury to or destruction of the covered motor vehicle from owners or operators of uninsured or underinsured motor vehicles.

(e) The coverage required under (c) and (d) of this section to meet the requirements of AS 28.20.440(b)(3) may be waived in writing by the insured in whole or in part. After selection of the limits by the insured or the exercise of the option to waive the coverage in whole or in part, the insurer shall not be required to notify any policy holder in any renewal, supplemental or replacement policy, as to the availability of the coverage or optional limits, and the waived coverage shall not be included in any renewal, supplemental or 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.

Section 5. This Act takes effect September 1, 1984.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date:

REQUEST  
 Bill/Resolution No.: CCSHB 7  
 Title: MOTOR VEHICLE LIABILITY  
INSURANCE  
 Sponsor: \_\_\_\_\_  
 Requestor: HAYES  
 Date of Request: 4/10/84

FISCAL DETAIL  
 Agency Affected: ALASKA COURT SYSTEM  
 Program Category Affected: \_\_\_\_\_  
ADMINISTRATION OF JUSTICE  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES		40.9	85.6	89.9	94.4	99.1
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES		.3	.5	.6	.6	.7
500 EQUIPMENT		4.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		45.2	86.1	90.5	95.0	99.8
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND		45.2	86.1	90.5	95.0	99.8
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

POSITIONS:

FULL-TIME		3	3	3	3	3
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: ROBERT G. FISHER  Phone: 264-0561  
 Division: ADMINISTRATIVE ACCOUNTING Date: 4/11/84

Approved by Commissioner:  Date: 4/11/84  
 Agency: ALASKA COURT SYSTEM

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

12/1/83

## FISCAL NOTE ANALYSIS

The Conference Committee Substitute for House Bill 7 calls for the suspension of a driving license when a driver is involved in an accident or a serious traffic violation and does not have liability insurance. The Department of Law fiscal note estimated that this would result in an annual addition of 1,300 driving with license suspended cases. The workload will be concentrated in Anchorage and Fairbanks. The Court System may need additional judicial resources to handle this caseload, but this cannot be accurately determined without actual experience. Therefore, no additional judicial resources are incorporated into this fiscal note.

The clerical impact of the additional caseload on the criminal sections in Anchorage and Fairbanks is more clearly defined. Each case will be set up in a case file, calendar notices sent out, judgements and hearing records prepared and distributed, cases tracked and coordinated with the jails, etc. The fiscal impact on the clerical functions in Anchorage and Fairbanks is provided below:

PERSONNEL

	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost</u>
2 Court Clerks (Anch. Range 8B)	\$38,568	\$13,966	\$52,534
1 Court Clerk (Fbks. Range 8B)	21,744	7,538	<u>29,282</u>
Total Personnel Costs			\$81,816

COMMODITIES

Estimated Full Year Cost	\$ <u>500</u>
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Estimated FY 85 Operating Cost (Effective Date 1/1/85)	\$41,158
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<u>EQUIPMENT</u> (One-time item)	<u>4,034</u>
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Total FY 85 Cost	\$45,192
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1 IN THE LEGISLATURE OF THE STATE OF ALASKA

2 THIRTEENTH LEGISLATURE - SECOND SESSION

3 A BILL

4  
5 For an Act entitled: "An Act relating to motor vehicles; and providing  
6 for an effective date."

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

8 \*Section 1. DECLARATION OF PURPOSE. The legislature is concerned  
9 over the rising toll of motor vehicle accidents and the suffering  
10 and loss inflicted by them. The legislature determines that it is  
11 a matter of grave concern that motorists be financially responsible  
12 for their negligent acts so that innocent victims of motor vehicle  
13 accidents may be recompensed for the injury and financial loss  
14 inflicted upon them. The legislature finds and declares that the  
15 public interest can best be served by the requirement that both the  
16 owner and the operator of a motor vehicle be required to maintain  
17 coverage under a motor vehicle liability policy issued in conformity  
18 with AS 28.22.010 or of a certificate of self-insurance issued  
19 under AS 28.20.400.

20 The legislature also finds and declares that the most economical  
21 and practical time of proof of compliance with this requirement is  
22 when an operator of a motor vehicle has been involved in a reportable  
23 accident or charged with a moving traffic violation.

24 \*Sec. 2. AS 28.20.070(a) is amended to read:

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

Compromise  
proposed by  
Div of Insurance

1 than \$100,000 [\$50,000] because of bodily injury to or death of two  
2 or more persons in any one accident, and if the accident has resulted  
3 in injury to, or destruction of, property to a limit of not less  
4 than \$25,000 [\$10,000] because of injury to or destruction of  
5 property of others in any one accident.

6 \*Sec. 3. AS 28.20.230(b) is amended to read:

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

21 \*Sec. 4. AS 28.20.360(a) is amended to read:

22 (a) For the purpose of this chapter, a judgment is satisfied  
23 when

24 (1) \$50,000 [\$25,000] is credited upon a judgment given  
25 in excess of that amount because of bodily injury to or death of  
26 one person as the result of any one accident; or

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

32 (3) \$25,000 [\$10,000] is credited upon a judgment given

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

3 \*Sec. 5. AS 28.20.440(b)(2) is amended to read:

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

16 \*Sec. 6. AS 28.20.440(b)(3) is amended to read:

17 (3) contain coverage in the amounts set out in (2) of  
18 this subsection for the protection of the persons insured under the  
19 policy who are legally entitled to recover damages from owners or  
20 operators of uninsured or underinsured motor vehicles because of  
21 bodily injury or death, or damage to or destruction of property  
22 in excess of \$250 arising out of the ownership, maintenance or use  
23 of the uninsured or underinsured motor vehicle, except that this  
24 coverage or part of it may be waived in writing by the insured on  
25 or before the effective date of the policy. The coverage for damage  
26 to or destruction of property is subject to a deductible of \$250 in  
27 any one accident, but the insured may agree in writing to a deductible  
28 other than \$250. In this paragraph, payment under coverage for damage  
29 to or destruction of property shall be made only where direct physical  
30 contact between the insured and uninsured or underinsured motor vehicles  
31 has occurred. A vehicle that has left the scene of the accident is  
32 presumed to be uninsured if the person insured reports the accident to

1           the appropriate authorities within 24 hours.

2       \*Sec. 7. AS 28.20.440 is amended by adding new subsections to read:

3           (1) The maximum liability of the insurance carrier under the  
4       underinsured motorists coverage required to be offered pursuant to  
5       AS 28.20.440(b)(3) shall be the difference between the coverage  
6       limit of liability and the amount paid to the insured by or on  
7       behalf of the underinsured motorist.

8           (m) Amounts payable under the uninsured motorists and under-  
9       insured motorists coverage required to be offered pursuant to  
10       AS 28.20.440(b)(3) shall be reduced by:

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

13           (2) amounts paid or payable under any valid and col-  
14       lectible automobile medical payments insurance; or

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

17           (n) The limits of liability for uninsured motorist coverage  
18       and underinsured motorist coverage offered and provided pursuant to  
19       AS 28.20.440(b)(3) for two or more vehicles insured under the  
20       same policy may not be added together, combined or stacked to  
21       determine the limit of insurance coverage available to an injured  
22       person for any one accident.

23       \*Sec. 8. AS 28 is amended by adding a new chapter to read:

24           CHAPTER 22. MOTOR VEHICLE LIABILITY INSURANCE

25       Sec. 28.22.010. MOTOR VEHICLE LIABILITY POLICY (a) In this  
26       chapter "motor vehicle liability policy" means an "owner policy" or  
27       an "operator's policy" containing an agreement or endorsement as  
28       provided in this section and issued by an insurance carrier au-  
29       thorized to transact business in the state to or for the benefit of  
30       the person named as insured.

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

32           (1) designate by description or appropriate reference

1 all vehicles that it covers;

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

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

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

13 (3) contain coverage in the amounts set out in (2) of  
14 this subsection for the protection of the persons insured under the  
15 policy who are legally entitled to recover damages from the owner  
16 or operator of an uninsured or underinsured motor vehicle because  
17 of bodily injury or death, or damage to or destruction of property  
18 in excess of \$250 arising out of the ownership, maintenance, or use  
19 of the uninsured or underinsured motor vehicle, except that this  
20 coverage or part of it may be waived in writing by the insured on  
21 or before the effective date of the policy. The coverage for  
22 damage to or destruction of property is subject to a deductible of  
23 \$250 in any one accident, but the insured may agree in writing to a  
24 deductible other than \$250. In this paragraph, payment under  
25 coverage for damage to or destruction of property shall be made  
26 only where direct physical contact between the insured and un-  
27 insured or underinsured motor vehicles has occurred. A vehicle  
28 that has left the scene of the accident is presumed to be uninsured,  
29 if the person insured reports the accident to the appropriate  
30 authorities within 24 hours.

31 (c) The operator's policy of liability insurance shall insure  
32 the person named as insured against loss from the liability imposed

1 on the operator by law for damages arising out of the use by the  
2 operator of a motor vehicle not owned by the operator, within the  
3 same territorial limits and subject to the same limits of liability  
4 as are required for an owner's policy of liability insurance.

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

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

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

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

22 (2) The insurance carrier may settle a claim covered by  
23 the policy, and if settlement is made in good faith, the amount of  
24 settlement is deductible from the limits of liability specified in  
25 (b) of this section.

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

30 (g) A policy that grants the coverage required for a motor  
31 vehicle liability policy may also grant lawful coverage in excess  
32 of or in addition to the coverage specified for a policy and the

1 excess or additional coverage is not subject to the provisions of  
2 this chapter. With respect to a policy that grants excess or  
3 additional coverage the term "motor vehicle liability policy"  
4 applies only to that part of the coverage that is required by this  
5 section.

6 (h) A motor vehicle liability policy may provide that the  
7 insured shall reimburse the insurance carrier for any payment the  
8 insurance carrier would not have been obligated to make under the  
9 terms of the policy except for the provisions of this chapter.

10 (i) A motor vehicle liability policy may provide for pro-  
11 ration of the insurance with other valid and collectible insurance.

12 (j) The requirements for a motor vehicle liability policy may  
13 be fulfilled by the policies of one or more insurance carriers who  
14 together meet the requirements.

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

17 (l) The maximum liability of the insurance carrier under the  
18 underinsured motorists coverage required to be offered pursuant to  
19 AS 28.22.010(b)(3) shall be the difference between the coverage  
20 limit of liability and the amount paid to the insured by or on  
21 behalf of the underinsured motorist.

22 (m) Amounts payable under the uninsured motorists and under-  
23 insured motorists coverage required to be offered pursuant to  
24 AS 28.22.010(b)(3) shall be reduced by:

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

27 (2) amounts paid or payable under any valid and collectible  
28 automobile medical payments insurance; or

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

31 (n) The limits of liability for uninsured motorist coverage  
32 and underinsured motorist coverage offered and provided pursuant to

1 AS 28.22.010(b)(3) for two or more vehicles insured under the same  
2 policy may not be added together, combined or stacked to determine  
3 the limit of insurance coverage available to an injured person for  
4 any one accident.

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

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

20 Sec. 28.22.030. MOTOR VEHICLE LIABILITY INSURANCE REQUIRED.

21 (a) the operator or owner of a motor vehicle driven upon a highway,  
22 vehicular way or area, or other public property in this state shall  
23 have motor vehicle liability insurance that complies with AS 28.22.010  
24 or a certificate of self-insurance that complies with AS 28.20.400  
25 in effect for the motor vehicle.

26 (b) A person involved in a reportable accident in this state  
27 resulting in bodily injury to or death of a person or damage to the  
28 property of any one person exceeding \$500 must prove that a motor  
29 vehicle liability policy was in effect for the motor vehicle involved  
30 in the accident at the time of the accident.

31 (c) A person charged with or otherwise cited for a moving  
32 traffic violation must prove that a motor vehicle liability policy

1 was in effect for the motor vehicle operated at the time the charged  
2 violation occurred.

3 (d) A person who violates (a) of this section commits a class  
4 B misdemeanor. Upon conviction the court shall impose a fine of  
5 not less than \$250. The court may not suspend the minimum fine  
6 imposed under this subsection.

7 (e) In addition to the fine required under (d) of this section,  
8 the court shall impose the following sentence on a person convicted  
9 of violating (a) of this section:

10 (1) for a person not previously convicted of an offense  
11 under (a) of this section, suspension of that person's driver's  
12 license for one year;

13 (2) for a person once previously convicted of an offense  
14 under (a) of this section within 10 years, suspension of the person's  
15 driver's license for not less than one year nor more than two years  
16 with no limited license privileges during the period of suspension;

17 (3) for a person twice or more previously convicted of  
18 an offense under (a) of this section within 10 years suspension of  
19 that person's driver's license for not less than two years with no  
20 limited license privileges during the suspension and forfeiture of  
21 the person's motor vehicle under AS 28.22.070.

22 Sec. 28.22.040. METHOD OF PROOF FOLLOWING A REPORTABLE  
23 ACCIDENT. (a) A person involved in an accident required to prove  
24 that a motor vehicle liability policy was in effect pursuant to  
25 AS 28.22.030(b), shall within 15 days of the accident

26 (1) present a copy of the insurance policy, certificate,  
27 bond, or insurance binder to the department for inspection;

28 (2) provide the department with an affidavit from an  
29 insurance company, insurance agent, insurance broker or surplus  
30 lines broker confirming that as of the time of the accident a valid  
31 motor vehicle liability policy issued in conformity with AS 28.22.010  
32 was in effect; or,

1 (3) advise the department that a certificate of self-  
2 insurance is in effect.

3 (b) The department shall develop and implement a program to  
4 spot check the veracity of the documents filed for proof under this  
5 section.

6 (c) Providing information required under this section which  
7 is known to be false is a class A misdemeanor.

8 Sec. 28.22.050. METHOD OF PROOF FOLLOWING A CHARGE OF A  
9 MOVING TRAFFIC VIOLATION. (a) A person charged with or otherwise  
10 cited for a moving traffic violation described in AS 28.22.030(c)  
11 shall, at the time of appearance in court, present an affidavit  
12 from an insurance company, insurance agent, insurance broker or  
13 surplus lines broker confirming that as of the time of the charged  
14 violation, a valid motor vehicle liability policy issued in con-  
15 formity with AS 28.22.010 was in effect, or advise the court that a  
16 certificate of self insurance issued by the department was in  
17 effect and present a copy of the certificate.

18 (b) A person charged with or otherwise cited for a moving  
19 traffic violation described in AS 28.22.030(c) who elects to post  
20 bail in lieu of appearance in court, shall present with the bail an  
21 affidavit from an insurance company, insurance agent, insurance  
22 broker or surplus lines broker confirming that as of the time of  
23 the charged violation, a valid motor vehicle liability policy  
24 issued in conformity with AS 28.22.010 was in effect, or advise the  
25 court that a certificate of self-insurance issued by the department  
26 was in effect and present a copy of the certificate. The court  
27 shall report any failure to present an affidavit described in this  
28 subsection to the department.

29 Sec. 28.22.060. PROOF FOR THE FUTURE. (a) A person who  
30 violates AS 28.22.030(a) must file poof of financial responsibility  
31 for the future pursuant to AS 28.20 before the driving privilege  
32 may be restored or before limited license privileges may be granted

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by the court.

(b) A filing of proof of financial responsibility under AS 28.20 shall be required for a period of three years following expiration of the suspension of license under AS 28.22.030(e).

Sec. 28.22.070. FORFEITURE OF MOTOR VEHICLE. (a) After conviction of an offense under AS 28.22.030, if the convicted person was twice or more previously convicted within the last 10 years of violating AS 28.22.030 or a statute in another jurisdiction with elements substantially similar to AS 28.22.030, the state may move the court to order the forfeiture of a motor vehicle. Upon receipt of a motion for forfeiture, the court shall schedule a hearing on the matter and shall notify the state of the time and place set for the hearing.

(b) After receiving notice of the time and place of the hearing, the state shall provide to every person who has an ascertainable ownership or security interest in the motor vehicle written notice that includes

- (1) a description of the motor vehicle;
- (2) the time and place of the forfeiture hearing;
- (3) the legal authority under which the motor vehicle may be forfeited;
- (4) notice of the right to intervene to protect the interest in the motor vehicle.

(c) At the hearing, a person who claims an ownership or security interest in the motor vehicle must establish by a preponderance of evidence that

- (1) the petitioner has an interest in the motor vehicle acquired in good faith;
- (2) a person other than the petitioner was convicted of violating AS 28.22.030; and
- (3) before parting with the motor vehicle, the petitioner did not know or have reasonable cause to believe that it would be

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used in the commission of an offense.

(d) If a person satisfies the requirements of (c) of this section, the court shall order that an amount equal to the value of the petitioner's interest in the motor vehicle be paid to the petitioner from the proceeds of the sale of the motor vehicle, or shall order that the motor vehicle be released to the petitioner together with title to the motor vehicle.

(e) Upon forfeiture of a motor vehicle, the court shall require the surrender of the registration and certificate of title of that motor vehicle for delivery by the court to the department unless the title is released to a petitioner under (d) of this section.

(f) If not released under (d) of this section, a motor vehicle forfeited under this section may be disposed of at the discretion of the department.

\*Sec. 9. AS 21.39.155(a) is amended to read:

(a) The director may require carriers, as a condition of writing a line of insurance dealing with worker's compensation or with automobile liability, to participate in an assigned risk pool if the director finds that mandatory carrier participation is in the public interest.

\*Sec. 10. 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, which is sold in the state [AFTER JANUARY 1, 1969, BY AN INSURANCE CARRIER AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE], shall contain limits in at least the amount prescribed for a motor vehicle liability policy in AS 28.20.440(b)(2) and AS 28.22.010(b)(2)[, AND MEET THE REQUIREMENTS OF AS 28.20.440(b)(3) UNLESS WAIVED AS PROVIDED IN THAT PARAGRAPH].

\*Sec. 11. AS 21.89.020 is amended by adding a new subsection to

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read:

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

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

Sec. 12. AS 28.20.390(3) and AS 28.20.490 are repealed.

\*Sec. 13. This Act takes effect January 1, 1985.

Changes in the Alternate mandatory insurance bill, 2-2-84 draft.

Sec. 1. Additional language following "vehicle" on page 1, line 16 and ending before "be" on line 18.

Sec. 2. New Section. Requires info about new law at registration.

Sec. 3. New Section. Requires info about new law at licensure.

Sec. 4. New Section. Adds info about new law to license test.

Sec. 5. Renumbered. Was Sec. 2. No change

Sec. 6. Renumbered. Was Sec. 3. No change.

Sec. 7. Renumbered. Was Sec. 4. No change.

Sec. 8. Renumbered. Was Sec. 5. No change.

Sec. 9. Renumbered. Was Sec. 6. No change.

Sec.10. Renumbered. Was Sec. 7. No change.

Sec.11. Renumbered. Was Sec. 8. Changes by section are

030(a) Page 9, line 25. Add "subject to registration under AS 28.10.010, when" following the word"vehicle."

030(f) & (g) These sections added starting page 10, line 27 through page 11, line 6. They deal with exemption for persons in very small communities not connected with other communities which add to a traffic volume of more than 499 vehicles per day.

040(b) The word "spot" removed on statr of line 21, page 11.

050(a) Revision on page 11, lines 28-29 allows the court greater flexibility in what it may accept as proof of insurance.

Sec.12. Renumbered. Was Sec. 9. No change.

Sec.13. Renumbered. Was Sec.10. No change.

Sec.14. Renumbered. Was Sec.11. No change.

Sec.15. Renumbered. Was Sec.12. No change.

Sec.16. New Section. Calls for a public information effort prior to the effective date of the bill.

Sec.17. Effective date clause. Was Sec.13.

Sec.18. Effective date clause for Sec.16.

2-2-84  
DRAFT

1 IN THE LEGISLATURE OF THE STATE OF ALASKA

2 THIRTEENTH LEGISLATURE - SECOND SESSION

3 A BILL

4  
5 For an Act entitled: "An Act relating to motor vehicles; and providing  
6 for an effective date."

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

8 \*Section 1. DECLARATION OF PURPOSE. The legislature is concerned  
9 over the rising toll of motor vehicle accidents and the suffering  
10 and loss inflicted by them. The legislature determines that it is  
11 a matter of grave concern that motorists be financially responsible  
12 for their negligent acts so that innocent victims of motor vehicle  
13 accidents may be recompensed for the injury and financial loss  
14 inflicted upon them. The legislature finds and declares that the  
15 public interest can best be served by the requirement that both the  
16 owner and the operator of a motor vehicle which is to be operated  
17 on vehicular ways of the state where the potential for motor vehicle  
18 accidents is substantial be required to maintain coverage under a  
19 motor vehicle liability policy issued in conformity with AS 28.22.010  
20 or of a certificate of self-insurance issued under AS 28.20.400.  
21 The legislature also finds and declares that the most economical  
22 and practical time of proof of compliance with this requirement is  
23 when an operator of a motor vehicle has been involved in a reportable  
24 accident or charged with a moving traffic violation.

25 \*Sec. 2. AS 28.10.021 is amended by adding a new subsection to  
26 read:

27 (b) At the time of application for registration or renewal of  
28 registration, the department shall provide the applicant, in writing,  
29 information detailing the state's financial responsibility law,  
30 mandatory automobile insurance requirement, and potential penalties  
31 for failure to comply with the law.

32 \*Sec. 3. AS 28.15.061 is amended by adding a new subsection to

1 read:

2 (e) At the time of application for driver's license or  
3 instruction permit, or renewal of driver's license or instruction  
4 permit, the department shall provide the applicant, in writing,  
5 information detailing the state's financial responsibility law,  
6 mandatory automobile insurance requirement, and potential penalties  
7 for failure to comply with the law.

8 \*Sec. 4. AS 21.15.081(a) is amended to read:

9 (a) The department shall examine every applicant for a  
10 driver's license. The examination shall include a test of the  
11 applicant's (1) eyesight, (2) ability to read and understand  
12 official traffic devices, (3) knowledge of safe driving practices,  
13 (4) knowledge of the effects of alcohol and drugs on drivers and  
14 the dangers of driving under the influence of alcohol or drugs,  
15 [AND] (5) knowledge of the laws relating to driving while intoxi-  
16 cated, (6) knowledge of the laws relating to financial responsibility  
17 and mandatory automobile liability insurance, and (7) the traffic  
18 laws and regulations of this state. The examination may include a  
19 demonstration of ability to exercise ordinary and reasonable  
20 control in driving a motor vehicle of the type and general class of  
21 vehicles for which the applicant seeks a license. However, an  
22 applicant who has not been previously issued a driver's license by  
23 this or another jurisdiction must demonstrate ability, and must  
24 present medical information that the department reasonably requires  
25 to determine fitness to safely drive a motor vehicle of the type  
26 and general class of motor vehicles for which the applicant seeks a  
27 license.

28 \*Sec. 5. AS 28.20.070(a) is amended to read:

29 (a) No policy or bond is effective under AS 28.20.060 unless  
30 it is issued by an insurance company or surety company authorized  
31 to do business in this state, except as provided in (b) of this  
32 section, and if the accident resulted in bodily injury or death,

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

10 \*Sec. 6. AS 28.20.230(b) is amended to read:

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

25 \*Sec. 7. AS 28.20.360(a) is amended to read:

26 (a) For the purpose of this chapter, a judgment is satisfied  
27 when

28 (1) \$50,000 [\$25,000] is credited upon a judgment given  
29 in excess of that amount because of bodily injury to or death of  
30 one person as the result of any one accident; or

31 (2) subject to the limit of \$50,000 [\$25,000] because of  
32 bodily injury to or death of one person, the sum of \$100,000 [\$50,000]

1 is credited upon a judgment given in excess of that amount because  
2 of bodily injury to or death of two or more persons as the result  
3 of any one accident; or

4 (3) \$25,000 [\$10,000] is credited upon a judgment given  
5 in excess of that amount because of injury to or destruction of  
6 property of others as a result of any one accident.

7 \*Sec. 8. AS 28.20.440(b)(2) is amended to read:

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

20 \*Sec. 9. AS 28.20.440(b)(3) is amended to read:

21 (3) contain coverage in the amounts set out in (2) of  
22 this subsection for the protection of the persons insured under the  
23 policy who are legally entitled to recover damages from owners or  
24 operators of uninsured or underinsured motor vehicles because of  
25 bodily injury or death, or damage to or destruction of property  
26 in excess of \$250 arising out of the ownership, maintenance or use  
27 of the uninsured or underinsured motor vehicle, except that this  
28 coverage or part of it may be waived in writing by the insured on  
29 or before the effective date of the policy. The coverage for damage  
30 to or destruction of property is subject to a deductible of \$250 in  
31 any one accident, but the insured may agree in writing to a deductible  
32 other than \$250. In this paragraph, payment under coverage for damage

1 to or destruction of property shall be made only where direct physical  
2 contact between the insured and uninsured or underinsured motor vehicles  
3 has occurred. A vehicle that has left the scene of the accident is  
4 presumed to be uninsured if the person insured reports the accident to  
5 the appropriate authorities within 24 hours.

6 \*Sec. 10. AS 28.20.440 is amended by adding new subsections to read:

7 (1) The maximum liability of the insurance carrier under the  
8 underinsured motorists coverage required to be offered pursuant to  
9 AS 28.20.440(b)(3) shall be the difference between the coverage  
10 limit of liability and the amount paid to the insured by or on  
11 behalf of the underinsured motorist.

12 (m) Amounts payable under the uninsured motorists and under-  
13 insured motorists coverage required to be offered pursuant to  
14 AS 28.20.440(b)(3) shall be reduced by:

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

17 (2) amounts paid or payable under any valid and col-  
18 lectible automobile medical payments insurance; or

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

21 (n) The limits of liability for uninsured motorist coverage  
22 and underinsured motorist coverage offered and provided pursuant to  
23 AS 28.20.440(b)(3) for two or more vehicles insured under the  
24 same policy may not be added together, combined or stacked to  
25 determine the limit of insurance coverage available to an injured  
26 person for any one accident.

27 \*Sec. 11. AS 28 is amended by adding a new chapter to read:

28 CHAPTER 22. MOTOR VEHICLE LIABILITY INSURANCE

29 Sec. 28.22.010. MOTOR VEHICLE LIABILITY POLICY (a) In this  
30 chapter "motor vehicle liability policy" means an "owner policy" or  
31 an "operator's policy" containing an agreement or endorsement as  
32 provided in this section and issued by an insurance carrier au-

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

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

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

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

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

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

17                 (3) contain coverage in the amounts set out in (2) of  
18           this subsection for the protection of the persons insured under the  
19           policy who are legally entitled to recover damages from the owner  
20           or operator of an uninsured or underinsured motor vehicle because  
21           of bodily injury or death, or damage to or destruction of property  
22           in excess of \$250 arising out of the ownership, maintenance, or use  
23           of the uninsured or underinsured motor vehicle, except that this  
24           coverage or part of it may be waived in writing by the insured on  
25           or before the effective date of the policy. The coverage for  
26           damage to or destruction of property is subject to a deductible of  
27           \$250 in any one accident, but the insured may agree in writing to a  
28           deductible other than \$250. In this paragraph, payment under  
29           coverage for damage to or destruction of property shall be made  
30           only where direct physical contact between the insured and un-  
31           insured or underinsured motor vehicles has occurred. A vehicle  
32           that has left the scene of the accident is presumed to be uninsured,

1 if the person insured reports the accident to the appropriate  
2 authorities within 24 hours.

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

9 (d) The motor vehicle liability policy shall state the name  
10 and address of the named insured, the coverage, the premium charges,  
11 the policy period and the limits of liability, and shall contain an  
12 agreement or an endorsement that insurance is provided in accordance  
13 with the coverage defined in (b)(2) of this section for bodily  
14 injury and death or property damage, or both.

15 (e) The motor vehicle liability policy need not insure liability  
16 under a worker's compensation law nor liability for damage to  
17 property owned by, rented to, in charge of, or transported by the  
18 insured.

19 (f) Every motor vehicle liability policy is subject to the  
20 following provisions but these provisions need not be contained in  
21 the policy:

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

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

30 (3) The policy, the written application for the policy,  
31 if any, and every rider or endorsement that does not conflict with  
32 the provisions of this chapter constitute the entire contract

1 between the parties.

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

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

14 (i) A motor vehicle liability policy may provide for pro-  
15 ration of the insurance with other valid and collectible insurance.

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

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

21 (l) The maximum liability of the insurance carrier under the  
22 underinsured motorists coverage required to be offered pursuant to  
23 AS 28.22.010(b)(3) shall be the difference between the coverage  
24 limit of liability and the amount paid to the insured by or on  
25 behalf of the underinsured motorist.

26 (m) Amounts payable under the uninsured motorists and under-  
27 insured motorists coverage required to be offered pursuant to  
28 AS 28.22.010(b)(3) shall be reduced by:

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

31 (2) amounts paid or payable under any valid and collectible  
32 automobile medical payments insurance; or

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

3 (n) The limits of liability for uninsured motorist coverage  
4 and underinsured motorist coverage offered and provided pursuant to  
5 AS 28.22.010(b)(3) for two or more vehicles insured under the same  
6 policy may not be added together, combined or stacked to determine  
7 the limit of insurance coverage available to an injured person for  
8 any one accident.

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

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

24 Sec. 28.22.030. MOTOR VEHICLE LIABILITY INSURANCE REQUIRED.

25 (a) the operator or owner of a motor vehicle subject to regis-  
26 tration under AS 28.10.011, when driven upon a highway, vehicular  
27 way or area, or other public property in this state, shall have  
28 motor vehicle liability insurance that complies with AS 28.22.010  
29 or a certificate of self-insurance that complies with AS 28.20.400  
30 in effect for the motor vehicle.

31 (b) A person involved in a reportable accident in this state  
32 resulting in bodily injury to or death of a person or damage to the

1 property of any one person exceeding \$500 must prove that a motor  
2 vehicle liability policy was in effect for the motor vehicle involved  
3 in the accident at the time of the accident.

4 (c) A person charged with or otherwise cited for a moving  
5 traffic violation must prove that a motor vehicle liability policy  
6 was in effect for the motor vehicle operated at the time the charged  
7 violation occurred.

8 (d) A person who violates (a) of this section commits a class  
9 B misdemeanor. Upon conviction the court shall impose a fine of  
10 not less than \$250. The court may not suspend the minimum fine  
11 imposed under this subsection.

12 (e) In addition to the fine required under (d) of this section,  
13 the court shall impose the following sentence on a person convicted  
14 of violating (a) of this section:

15 (1) for a person not previously convicted of an offense  
16 under (a) of this section, suspension of that person's driver's  
17 license for one year;

18 (2) for a person once previously convicted of an offense  
19 under (a) of this section within 10 years, suspension of the person's  
20 driver's license for not less than one year nor more than two years  
21 with no limited license privileges during the period of suspension;

22 (3) for a person twice or more previously convicted of  
23 an offense under (a) of this section within 10 years suspension of  
24 that person's driver's license for not less than two years with no  
25 limited license privileges during the suspension and forfeiture of  
26 the person's motor vehicle under AS 28.22.070.

27 (f) If a vehicle is being driven or moved on a highway or  
28 vehicular way not connected by a land highway or vehicular way to  
29 the land connected state highway system when that highway or  
30 vehicular way is not connected to a highway or vehicular way with  
31 an average daily traffic volume greater than 499, the operator of  
32 the vehicle is exempt from (a) of this section if the operator has

1 not been involved in a traffic accident or cited for a moving  
2 violation within the preceding ten years.

3 (g) Every three years the Department shall publish a list of  
4 areas that meet the requirements for (f) of this section. The list  
5 shall be available for public inspection at all division of motor  
6 vehicle offices in the state.

7 Sec. 28.22.040. METHOD OF PROOF FOLLOWING A REPORTABLE  
8 ACCIDENT. (a) A person involved in an accident required to prove  
9 that a motor vehicle liability policy was in effect pursuant to  
10 AS 28.22.030(b), shall within 15 days of the accident

11 (1) present a copy of the insurance policy, certificate,  
12 bond, or insurance binder to the department for inspection;

13 (2) provide the department with an affidavit from an  
14 insurance company, insurance agent, insurance broker or surplus  
15 lines broker confirming that as of the time of the accident a valid  
16 motor vehicle liability policy issued in conformity with AS 28.22.010  
17 was in effect; or,

18 (3) advise the department that a certificate of self-  
19 insurance is in effect.

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

23 (c) Providing information required under this section which  
24 is known to be false is a class A misdemeanor.

25 Sec. 28.22.050. METHOD OF PROOF FOLLOWING A CHARGE OF A  
26 MOVING TRAFFIC VIOLATION. (a) A person charged with or otherwise  
27 cited for a moving traffic violation described in AS 28.22.030(c)  
28 shall, at the time of appearance in court, present evidence satis-  
29 factory to the court, confirming that as of the time of the charged  
30 violation, a valid motor vehicle liability policy issued in con-  
31 formity with AS 28.22.010 was in effect, or advise the court that a  
32 certificate of self insurance issued by the department was in

1 effect and present a copy of the certificate.

2 (b) A person charged with or otherwise cited for a moving  
3 traffic violation described in AS 28.22.030(c) who elects to post  
4 bail in lieu of appearance in court, shall present with the bail an  
5 affidavit from an insurance company, insurance agent, insurance  
6 broker or surplus lines broker confirming that as of the time of  
7 the charged violation, a valid motor vehicle liability policy  
8 issued in conformity with AS 28.22.010 was in effect, or advise the  
9 court that a certificate of self-insurance issued by the department  
10 was in effect and present a copy of the certificate. The court  
11 shall report any failure to present an affidavit described in this  
12 subsection to the department.

13 Sec. 28.22.060. PROOF FOR THE FUTURE. (a) A person who  
14 violates AS 28.22.030(a) must file proof of financial responsibility  
15 for the future pursuant to AS 28.20 before the driving privilege  
16 may be restored or before limited license privileges may be granted  
17 by the court.

18 (b) A filing of proof of financial responsibility under  
19 AS 28.20 shall be required for a period of three years following  
20 expiration of the suspension of license under AS 28.22.030(e).

21 Sec. 28.22.070. FORFEITURE OF MOTOR VEHICLE. (a) After  
22 conviction of an offense under AS 28.22.030, if the convicted  
23 person was twice or more previously convicted within the last 10  
24 years of violating AS 28.22.030 or a statute in another jurisdiction  
25 with elements substantially similar to AS 28.22.030, the state may  
26 move the court to order the forfeiture of a motor vehicle. Upon  
27 receipt of a motion for forfeiture, the court shall schedule a  
28 hearing on the matter and shall notify the state of the time and  
29 place set for the hearing.

30 (b) After receiving notice of the time and place of the  
31 hearing, the state shall provide to every person who has an ascer-  
32 tainable ownership or security interest in the motor vehicle written

1 notice that includes

2 (1) a description of the motor vehicle;  
3 (2) the time and place of the forfeiture hearing;  
4 (3) the legal authority under which the motor vehicle  
5 may be forfeited;

6 (4) notice of the right to intervene to protect the  
7 interest in the motor vehicle.

8 (c) At the hearing, a person who claims an ownership or  
9 security interest in the motor vehicle must establish by a pre-  
10 ponderance of evidence that

11 (1) the petitioner has an interest in the motor vehicle  
12 acquired in good faith;

13 (2) a person other than the petitioner was convicted of  
14 violating AS 28.22.030; and

15 (3) before parting with the motor vehicle, the petitioner  
16 did not know or have reasonable cause to believe that it would be  
17 used in the commission of an offense.

18 (d) If a person satisfies the requirements of (c) of this  
19 section, the court shall order that an amount equal to the value of  
20 the petitioner's interest in the motor vehicle be paid to the  
21 petitioner from the proceeds of the sale of the motor vehicle, or  
22 shall order that the motor vehicle be released to the petitioner  
23 together with title to the motor vehicle.

24 (e) Upon forfeiture of a motor vehicle, the court shall  
25 require the surrender of the registration and certificate of title  
26 of that motor vehicle for delivery by the court to the department  
27 unless the title is released to a petitioner under (d) of this  
28 section.

29 (f) If not released under (d) of this section, a motor  
30 vehicle forfeited under this section may be disposed of at the  
31 discretion of the department.

32 \*Sec. 12. AS 21.39.155(a) is amended to read:

1 (a) The director may require carriers, as a condition of  
2 writing a line of insurance dealing with worker's compensation  
3 or with automobile liability, to participate in an assigned risk  
4 pool if the director finds that mandatory carrier participation is  
5 in the public interest.

6 \*Sec. 13. AS 21.89.020(a) is amended to read:

7 (a) An automobile liability policy that [WHICH] insures an  
8 owner or operator of a motor vehicle against loss resulting from  
9 [HIS] liability for bodily injury or death, or for property injury  
10 or destruction, or both, which is sold in the state [AFTER JANUARY 1,  
11 1969, BY AN INSURANCE CARRIER AUTHORIZED TO TRANSACT BUSINESS IN  
12 THIS STATE], shall contain limits in at least the amount prescribed  
13 for a motor vehicle liability policy in AS 28.20.440(b)(2) and  
14 AS 28.22.010(b)(2)[, AND MEET THE REQUIREMENTS OF AS 28.20.440(b)(3)  
15 UNLESS WAIVED AS PROVIDED IN THAT PARAGRAPH].

16 \*Sec. 14. AS 21.89.020 is amended by adding a new subsection to  
17 read:

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

- 28 (1) uninsured motorists, bodily injury;  
29 (2) uninsured motorists, property damage;  
30 (3) underinsured motorists, bodily injury; and  
31 (4) underinsured motorists, property damage.

32 \*Sec. 15. AS 28.20.390(3) and AS 28.20.490 are repealed.

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\*Sec. 16. The Department of Public Safety will conduct a public information campaign designed to educate the public about changes in the motor vehicle code introduced with this Act and the potential penalties for failure to comply.

\*Sec. 17. Secs. 1-15 of this Act take effect January 1, 1985.

\*Sec. 18. Sec. 16 of this Act takes effect October 1, 1984.

STATE OF ALASKA 1981 LEGISLATIVE SESSION  
FISCAL NOTE

\*\*HB7 - Proposed Substitute  
Dated 2-17-84.

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: \*\*  
Title: An Act relating to motor vehicles; and providing for....  
Sponsor: Hayes  
Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Public Safety  
Program Category Affected: Life and Property Protection  
ERU, Program or Subprogram(s) Affected: Motor Vehicles/Driver Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES		108.9	256.7	300.7	318.7	337.8
200 TRAVEL		8.3	7.6	8.1	8.6	9.1
300 CONTRACTUAL		165.1	238.6	276.1	323.2	342.6
400 SUPPLIES		6.1	6.5	6.9	7.3	7.7
500 EQUIPMENT		34.2	4.8	-0.	2.4	3.6
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>322.6</b>	<b>514.2</b>	<b>591.8</b>	<b>660.2</b>	<b>700.8</b>
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND		322.6	514.2	591.8	660.2	700.8
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>322.6</b>	<b>514.2</b>	<b>591.8</b>	<b>660.2</b>	<b>700.8</b>

POSITIONS:

FULL-TIME		7	9	9	9	9
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not identified by the sponsor.

ANALYSIS: Attach a separate page for analysis

Prepared By: Bill Brown Phone: 465-4335  
Division: Motor Vehicles Date: 3-2-84

Approved by Commissioner: [Signature] Date: 3/6/84  
Agency: Public Safety

Distribution (by Agency preparing fiscal note):

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

12/1/83

100 PERSONAL SERVICES

2 Driver Imp. Specialist	6 months	41,031		
1 Document Proc. Clk III	6 months	14,784		
1 Document Proc. Clk II	7 months	15,470		
1 Document Proc. Clk II	6 months	13,260		
1 Clerk Typist III	6 months	13,260		
1 Clerk Typist III	5 months	11,050		
(Includes Salary & Benefits		<u>108,855</u>	108.9	108.9

200 TRAVEL

To conduct hearings on proposed regulations:  
 Jno to Anc, Fbx, Palmer, Ken/Sol,  
 Kodiak, Nome, Ktn & Sitka.

Travel	2.5		
Per Diem for 18 days	1.5		

Hearing Officers to conduct administrative  
 hearings, and training.

Travel	2.5		
Per Diem for 28 days	2.2		
	<u>8.3</u>		

8.3

8.3

300 CONTRACTUAL

310

Postage			
11,558 certified letters @1.75	20.2		
10,728 regular letters @.22	2.4		
General Correspondence	.7		
Telephones & tolls	2.8		
	<u>26.1</u>	x 1/2	13.1

320

Forms			
Sec. 2 450,000 x .0186	8.4		
Sec. 3 180,000 x .0136	3.3		
Other	2.4		14.1
Advertising			
Public Notice - Regulations	2.2		
Public Education (Sec. 16)	23.0		25.2

330

Driver Services Space Lease			
3,500 sq. ft. at \$2.65	111.3	x 1/2	55.7

Fiscal Note Analysis

HB 7 - Proposed Substitute dated 2-17-84 - Page 2

340	Microfilm equipment	1.7		
	Office equipment	<u>2.2</u>		
		3.9 x 1/2	2.0	
360	1 copy machine @ 270 per mo	3.2		
	1 postage meter @ 53 per mo	.6		
	3 CRT terminals @ 206 per mo ea	7.4		
	1 controller @ 258 per mo	<u>3.1</u>		
		14.3 x 1/2	7.1	
380	Contractual services - DP program	35.0		
	Installation of CRTs & Controller	.4		
	Moving costs of Driver Services	2.1		
	Professional Services (New slides for written tests)	3.8	41.3	
382a	DP line charges - 3 terminals @ 2,000 per year each	6.0		
	DP Data Circuit - 3 terminals @ 1,500 per year each	4.5		
	CRT Maintenance - 3 terminals @ 900 per year each	<u>2.7</u>		
		13.2 x 1/2	6.6	165.1
400	COMMODITIES			
460	Microfilm equipment parts	.3		
480	Normal office supplies	4.2		
	Microfilm supplies	1.6	6.1	6.1
500	EQUIPMENT			
	3 desks w/typing extensions @576.09	1.7		
	4 desks @468.71	1.9		
	5 typewriters @1,369.36	6.8		
	7 chairs @272.21	1.9		
	3 CRT tables @225	.7		
	4 file cabinets @308.66	1.2		
	1 storage cabinet	.2		
	1 bookcase	.1		
	1 IMT 150 microfilm reader/printer	15.9		

Fiscal Note Analysis

HB 7 - Proposed Substitute dated 2-17-84 - Page 3

.2 side chairs @147	.3		
2 typing tables @103.53	.2		
7 acoustical panels @340	2.4		
Recording equipment	.9		
	<u>34.2</u>	34.2	<u>34.2</u>
		GRAND TOTAL	322.6

ASSUMPTIONS:

The basic assumption of this fiscal note is that for this bill to be effective there must be an adequate system of enforcement and compliance. Other stated with mandatory insurance laws estimate that 5-15% of their vehicles are operating without insurance as citizens find ways to circumvent the law. We find that our present Financial Responsibility Law, AS 28.20, is practically as effective, and far less costly, both to the state bureaucracy, and to the citizens directly.

For this bill to be effective the Division of Motor Vehicles would need nine new employees. Seven are requested for FY85, and two additional midway through FY86. Six of these would be located at Driver Services Headquarters in Juneau, and three at Driver Improvement Headquarters in Anchorage. The present Driver Services Headquarters location will not accomodate this much expansion, therefore, the fiscal note provides for relocation and lease of new space for this section.

Effective date of JAnuary 1, 1985,

Time period set for Section 28.22.060(a) will be 1 year.

DOT/PF can supply DMV with statistics concerning traffic volume as required in Sec. 28.22.030(f), thus avoiding need to purchase equipment, and provide personnel to handle this function.

If an uninsured person is in an accident, and cited for major violation as a result of the accident, only one suspension will be initiated.

6% inflation factor used for FY86, and subsequent years. Experience reflects that once original suspension time periods end, and "Proof For The Future" is required, the number of certified letters required will increase substantially. Each time insurance is cancelled the insurance company notified DMV. DMV must in turn originate another license action, and notify licensee via certified mail. Therefore, a larger than 6% increase is reflected in line item 300 for FY86, FY87 and FY88, since "Proof For The Future" is a three year requirement.

1.	POSITION TITLE Driver Improvement Specialist				RANGE/STEP 16A	BARG. UNIT GGU	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7-15	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	30.876								
6.	Benefits									
7.	Supplemental Benefits									
8.	Fixed Benefits	10.155								
9.	TOTAL PERSONAL SERVICES	01	41.0							
10.	Travel	02	1.5							
11.	Contractual	03	-							
12.	Commodities	04	.3							
13.	Equipment	05	.7							
14.	Other									
15.	TOTAL COST									
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts	1002							
17.		G.F. Match	1003							
18.		General Funds	1004							
19.		I-A Receipts	1005							
20.		Program Receipts	1028							
21.		Other								
FOR B&M USE ONLY 4A KEY NUMBER _____										

This position will be responsible to hold hearings under the driver license administrative suspension program. Each time a license is suspended for not providing proof of insurance after an accident or moving violation, the individual has the right to ask for a hearing, per AS 28.05.131-141. In addition to holding hearings, would have to prepare for each hearing; and maintain appropriate records of each hearing.

With a one year license action, we foresee a large percentage of individuals requesting a hearing.

Travel for FY85 is based on two trips to the Kenai Peninsula, one trip to Seward, and one trip to Kodiak, all from Anchorage.

Prepared showing full year costs. Only six month's cost reflected on fiscal note for FY85.

**13** REQUEST FOR NEW POSITION

AGENCY Public Safety  
PROGRAM Life and Property Protection  
BRU Motor Vehicles  
COMPONENT Driver Services

**FY 85**

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

1.	POSITION TITLE Driver Improvement Specialist				RANGE/STEP 16A	BARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT 4	LEC.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	PERSONAL SERVICES									
5.	Salary		30,876							
6.	Benefits									
7.	Supplemental Benefits									
8.	<del>Fixed</del> Benefits		10,155							
9.	TOTAL PERSONAL SERVICES		01	41.0						
10.	Travel		02	2.8						
11.	Contractual		03	-						
12.	Commodities		04	.3						
13.	Equipment		05	1.6						
14.	Other									
15.	TOTAL COST									
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts	1002							
18.		G.F. Match	1003							
19.		General Funds	1004							
20.		I-A Receipts	1005							
21.		Program Receipts	1028							
		Other								
FOR B&M USE ONLY										
4A KEY NUMBER _____										

This position will be responsible to hold hearings under the driver license administrative suspension program. Each time a license is suspended for not providing proof of insurance after an accident or moving violation, the individual has the right to ask for a hearing per AS 28.05.131-141. In addition to holding hearings, would have to prepare for each hearing and maintain appropriate records of each hearing. With a one year license action we foresee a large percentage of individuals requesting a hearing.

Travel for FY85 is based on two trips from Juneau to Ketchikan, Sitka, Petersburg, and Wrangell for hearings, and one trip from Juneau to Anchorage for two weeks of training.

Prepared showing full year costs. Only six months cost reflected on fiscal note for FY85.

**13** REQUEST FOR  
NEW POSITION

AGENCY Public Safety  
PROGRAM Life and Property Protection  
BRU Motor Vehicles  
COMPONENT Driver Services

Page      of       
Revised Date           

**FY 85**

1.	POSITION TITLE Documents Processing Clerk III			RANGE/STEP 10A	BARG. UNIT GGU	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT 4	LEC.	
3.	CONTINUATION LEVEL			ADDITION	JUSTIFICATION				
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position will process all notifications from the court which reflect an individual who is required to show proof of insurance following a charge of a moving traffic violation did not do so. Will research files to determine appropriate time frame, and send a suspension notice to each individual.</p> <p>This position will also handle all correspondence concerning oral and written answers or statements from the licensee.</p> <p>Will enter license actions onto computer system. This requires extreme accuracy to prevent incorrect status or incorrect record. Otherwise an innocent citizen may go to jail.</p> <p>Prepared showing full year costs. Only six month's cost reflected on fiscal note for FY85.</p>				
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	21,636							
6.	Benefits								
7.	Supplemental Benefits								
8.	<del>Health</del> Benefits	7,932							
9.	TOTAL PERSONAL SERVICES	01	29.6						
10.	Travel	02	-						
11.	Contractual	03	-						
12.	Commodities	04	.2						
13.	Equipment	05	.7						
14.	Other								
15.	TOTAL COST								
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts	1002						
17.		G.F. Match	1003						
18.		General Funds	1004						
19.		I-A Receipts	1005						
20.		Program Receipts	1028						
21.		Other							
FOR B&M USE ONLY									
4A KEY NUMBER									

**13** REQUEST FOR  
NEW POSITION

AGENCY Public Safety

PROGRAM Life and Property Protection

BRU Motor Vehicles

COMPONENT Driver Services

**FY 85**

Page      of     

Revised Date

1.	POSITION TITLE Documents Processing Clerk II				RANGE/STEP 8A	BARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT 4	LEC.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1			2			3			
	PERSONAL SERVICES									
5.	Salary			19,176						
6.	Benefits									
7.	Supplemental Benefits									
8.	Fixed Benefits			7,341						
9.	TOTAL PERSONAL SERVICES			01			26.5			
10.	Travel			02						
11.	Contractual			03						
12.	Commodities			04			.2			
13.	Equipment			05			2.6			
14.	Other									
15.	TOTAL COST									
	RECEIPT CODE			FUNDING SOURCE						
16.				Federal Receipts			1002			
17.				G.F. Match			1003			
18.				General Funds			1004			
19.				I-A Receipts			1005			
20.				Program Receipts			1028			
21.				Other						
FOR B&M USE ONLY										
4A KEY NUMBER _____										

This position will handle and file proof of insurance forms received from persons involved in accidents. Will set up and handle a tickler file to keep track of individuals who are involved in accidents and do not submit proof of insurance within the required time frame.

If proof of insurance is not received, will research files to determine time frame; then prepare and mail a suspension notice to individual. Must coordinate with Financial Responsibility section when it appears individual may be liable for damages, and thus be consecutive to any FR license action.

Will submit requests to insurance companies to verify veracity of documents filed for proof after an accident. If proof is not substantiated, will research files, then prepare and send suspension notice to individual who submitted false information.

This form prepared showing full year costs. Only seven month's cost reflected on fiscal note for FY85.

**13** REQUEST FOR  
NEW POSITION

AGENCY Public Safety  
PROGRAM Life and Property Protection  
BRU Motor Vehicles  
COMPONENT Driver Services

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

**FY 85**

1.	POSITION TITLE Clerk Typist III			RANGE/STEP 8A	BARC. UNIT GGU	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7-15	LEG.	
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION						
4.	TYPE OF EXPENDITURE		AMOUNT			<p>This position would transcribe hearing records as requested and prepare certified copies of those records for courts, prosecutors, private attorneys, etc., when necessary.</p> <p>Would prepare documents required by the court whenever an appeal is filed. This includes "Notice of Parties", "Affidavits", "Notice of Filing of Record", etc.</p> <p>Prepared showing full year costs. Only five month's cost reflected on fiscal note for FY85.</p>			
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	19,176							
6.	Benefits								
7.	Supplemental Benefits								
8.	Fixed Benefits	7,341							
9.	TOTAL PERSONAL SERVICES	01	26.5						
10.	Travel	02	-						
11.	Contractual	03	-						
12.	Commodities	04	.2						
13.	Equipment	05	2.6						
14.	Other								
15.	TOTAL COST								
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004							
19.		I-A Receipts 1005							
20.		Program Receipts 1028							
21.		Other							
FOR B&M USE ONLY									
4A KEY NUMBER _____									

**13** REQUEST FOR  
NEW POSITION

AGENCY Public Safety

PROGRAM Life and Property Protection

BRU Motor Vehicles

COMPONENT Driver Services

**FY 85**

Page \_\_\_\_\_ of \_\_\_\_\_

Revised Date \_\_\_\_\_

1.	POSITION TITLE Documents Processing Clerk II				RANGE/STEP 8A	BARG. UNIT GGU	FORM 12 PACE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT 4	LEC.		
3.	CONTINUATION LEVEL				ADDITION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary		19,176							
6.	Benefits									
7.	Supplemental Benefits									
8.	Fixed Benefits		7,341							
9.	TOTAL PERSONAL SERVICES		01		26.5					
10.	Travel		02		-					
11.	Contractual		03		-					
12.	Commodities		04		.2					
13.	Equipment		05		2.2					
14.	Other									
15.	TOTAL COST									
JUSTIFICATION										
<p>This position will mainly handle computer entry of microfilmed items so it is possible to retrieve documents. New law will generate thousands of additional pieces of paper. Driver Services microfilms all documents as a cost saving factor to prevent cost of storage space, files, etc.</p> <p>Will also assist in preparation of documents for micro-filming.</p> <p>Will prepare certified copies of suspension notices, and supporting documents for use by prosecutors, courts, law enforcement officers, private attorneys, etc.</p> <p>Prepared showing full year costs. Only six month's cost reflected on fiscal note for FY85.</p>										
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004								
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER _____										

**13** REQUEST FOR  
NEW POSITION

AGENCY Public Safety

PROGRAM Life and Property Protection

BRU Motor Vehicles

COMPONENT Driver Services

**FY 85**

Page \_\_\_\_\_ of \_\_\_\_\_

Revised Date \_\_\_\_\_

1.	POSITION TITLE Clerk Typist III				RANGE/STEP 8A	BARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7-15	LEG.			
3.	CONTINUATION LEVEL				JUSTIFICATION						
4.	TYPE OF EXPENDITURE				AMOUNT						
	1		2		3						
	PERSONAL SERVICES										
5.	Salary		19,176								
6.	Benefits										
7.	Supplemental Benefits										
8.	-Fixed Benefits		7,341								
9.	TOTAL PERSONAL SERVICES		01		26.5						
10.	Travel		02		-						
11.	Contractual		03		-						
12.	Commodities		04		.2						
13.	Equipment		05		2.6						
14.	Other										
15.	TOTAL COST										
	RECEIPT CODE		FUNDING SOURCE								
16.			Federal Receipts 1002								
17.			G.F. Match 1003								
18.			General Funds 1004								
19.			I-A Receipts 1005								
20.			Program Receipts 1028								
21.			Other								
FOR B&M USE ONLY											
4A KEY NUMBER _____											

This position would handle necessary paperwork for scheduling hearings, notifying individuals of hearing date, time and location, and keep appropriate records. They would handle most inquiries concerning hearings, and refer technical items to the hearing officer.

Would update computer files reflecting when license action is stayed upon receipt of request for a hearing. Also update computer files after decision is rendered by the hearing officer.

This form prepared showing full year costs. Only six month's cost reflected on fiscal note for FY85.

**13** REQUEST FOR  
NEW POSITION

AGENCY Public Safety  
PROGRAM Life and Property Protection  
BRU Motor Vehicles  
COMPONENT Driver Services

Page \_\_\_\_\_ of \_\_\_\_\_  
Revised Date \_\_\_\_\_

**FY 85**

FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST 2/17/84 draft alternate  
 Bill/Resolution No.: HR 7  
 Title: "An Act relating to  
 motor vehicles."  
 Sponsor: Repr. Hayes  
 Requestor: OMB - Gov.'s Off.  
 Date of Request: 2-29-84

FISCAL DETAIL  
 Agency Affected: Department of Law  
 Program Category Affected: \_\_\_\_\_  
Administration of Justice  
 BRU, Program or Subprogram(s) Affected:  
Prosecution

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		110.0	232.1	246.0	260.8	276.4
200 TRAVEL		3.5	7.4	7.8	8.3	8.8
300 CONTRACTUAL		17.5	37.1	39.3	41.7	44.2
400 SUPPLIES		14.7	7.6	8.1	8.6	9.1
500 EQUIPMENT		31.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	177.2	284.2	301.2	319.4	338.5
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	177.2	284.2	301.2	319.4	338.5
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	4	4	4	4	4
PART-TIME		1	1	1	1	1
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Richard I. Pegues, Director Phone: 465-3672  
 Division: Administrative Services Division Date: 3-1-84

Approved by Commissioner: Norman C. Gorsuch Date: 3-1-84  
 Agency: Department of Law

Distribution (by Agency preparing fiscal note):

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

12/1/83

This bill will require mandatory insurance for all drivers of motor vehicles in the state. Failure to comply with this requirement will result in suspension of a driver's license. As a result of the bill increasing the amount of driver's licenses suspended overall, increased incidents of driving with a suspended license will further result in increased criminal misdemeanor sanctions, thus increased involvement of the Department of Law, Criminal Division.

Of the 300,000 drivers currently licensed in the state, it is estimated that somewhere between 10% and 40% of the total number of drivers are uninsured. It is believed that enactment of the bill will result in more drivers acquiring insurance. Eventually, the number of uninsured drivers will probably be closer to the 10% estimate after the bill is enacted.

There are approximately 65,000 traffic accidents and violations investigated each year that will now include an examination for proof of insurance if the bill is approved. Of this number about 6,500 drivers will be found to be uninsured resulting in the suspension of their driver's licenses. Current experience has shown that just over 20% of those individuals who have had their licenses suspended have subsequently been cited for driving with a suspended license (DWLS). Drivers' license suspensions under existing statutes, governing the drivers point system, financial responsibility, driving while intoxicated (DWI), and refusal to take a breathalyzer test, range between 30 days and 10 years. Drivers with longer periods of license suspension are most apt to drive with a suspended license. The chance of a first time insurance offender driving with one-year suspended license is far greater than it is for a first time DWI offender, who receives a 30 day driving suspension. Consequently, the current 20% DWLS violation rate can be expected to increase because of the minimum one year period of suspension provided by the bill. This department has recommended that suspension periods be structured similar to those for the offense of DWI - i.e. 90 days revocation for the first offense (except no allowance for limited license privileges for the final 60 days as provided for in AS 28.15.181(e)) and not less than one year if previously convicted for the same offense one or more times. This recommendation has been rejected and it can be anticipated, as a result, that increases in DWLS offenses will be excessive. Nonetheless, the department has used the existing 20% DWLS violation rate as the basis for its fiscal impact calculations due to the absences of any other historic data.

Based upon the 20% violation rate and the number of expected suspensions (6,500), 1,300 to 1,400 new DWLS violations

will be referred to the Department of Law for prosecution. The majority of the violations will occur in Anchorage and Fairbanks where there will be a measurable impact on the department's operations. Because of the large number of new misdemeanor prosecutions, the department will need one full-time and one part-time prosecutor at Anchorage, and the department will need one full-time prosecutor at Fairbanks.

Although these cases are relatively minor misdemeanor offenses, the penalties include mandatory jail time and their sheer number requires the addition of prosecutor resources. An additional legal secretary will also be required at both Anchorage and Fairbanks because of the substantial documentation that must be prepared for each case to establish proof of notice and to determine the length and dates of suspension.

In specific, among the secretarial duties required for all of these cases - whether or not they are eventually brought to trial are: (1) Files must be opened for each case, (2) data must be entered on the computer records system, (3) letters must be written to DMV, in many cases, requesting more documentation, (4) data must be entered on Case Intake Disposition (CID) sheets, (5) information sheets must be typed and filed in court, and (6) the CID sheets must be distributed to the proper recipients.

Detail Cost Schedule

Fiscal Analysis  
 HB 7 (2-17-84 Draft Alternate)

FY 85 (6 mos., 1/1/85 - 6/30/85)

	<u>Anchorage</u>			<u>Fairbanks</u>		<u>Total</u>
	<u>Atty III</u>	<u>Atty III PPT</u>	<u>Leg. Sec I</u>	<u>Atty III</u>	<u>Leg. Sec I</u>	
Personal Services	30.0	15.0	14.6	34.1	16.3	110.0
Travel	1.5	.5		1.5		3.5
Contractual						
Copy/Commod/Postage	2.4	1.2	1.2	2.4	1.2	8.4
WP Maintenance			.9		.9	1.8
Space Lease	2.6	2.6	2.1			7.3
						<u>17.5</u>
Commodities - Ongoing						
Office Supplies	1.2	.6	1.2	1.2	1.2	5.4
Law Library	.6	.6		.6		1.8
Commodities - One time						
New Position	1.5	1.5	1.5	1.5	1.5	7.5
						<u>14.7</u>
Equipment - One time						
New Position	1.5	1.5	1.5	1.5	1.5	7.5
Word Processors			12.0		12.0	24.0
						<u>31.5</u>
<b>TOTALS</b>	<u>41.3</u>	<u>23.5</u>	<u>35.0</u>	<u>42.8</u>	<u>34.6</u>	<u>177.2</u>

Costs after FY 85 have been calculated on a full 12-month basis and include a 6% inflation factor, less one-time items.

1.	POSITION TITLE Attorney III			RANGE/STEP 22A	DARG. UNIT PX	FORM 12 PAGE/LINE	GOV.	APPROV.	DISA
2.	TYPE OF POSITION PFT	STAFF MONTHS 6	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 8	LEG.	

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary 3,900 X 6	23,400	
6.	Benefits	3,838	
7.	Supplemental Benefits	1,434	
8.	Fixed Benefits	1,315	
9.	TOTAL PERSONAL SERVICES	01	29,987
10.	Travel	02	1,500
11.	Contractual	03	5,000
12.	Commodities	04	3,300
13.	Equipment	05	1,500
14.	Other		
15.	TOTAL COST		41,287

JUSTIFICATION

This position is requested to handle the large number of DWLS violations that will result from the drivers license suspension provisions of HB 7. One and one-half attorney positions will be needed at Anchorage to handle the resultant increased caseload. Allocation to the Attorney III level is recommended because of the routine nature of the prosecutions to be handled.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	41,287
19.		I-A Receipts 1005	
20.		Program Receipts 1020	
21.		Other	

FOR D&M USE ONLY  
6A KEY NUMBER \_\_\_\_\_

13 REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF LAW  
PROGRAM DUE PROCESS  
BRU PROSECUTION

Page 1 of 1

FY 8!

1.	POSITION TITLE Attorney III			RANGE/STEP 22A	DARG. UNIT PX	FORM 12 PAGE/LINE	GOV.	APPROV.	DIS.
2.	TYPE OF POSITION PPT	STAFF MONTHS 6	RP NUMBER	PCH NUMBER	DRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 8	LEG.	
3.	CONTINUATION LEVEL	ADDITION			JUSTIFICATION				
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position is requested to handle the large number of DWLS violations that will result from the drivers license suspension provisions of HB 7. One and one-half attorney positions will be needed at Anchorage to handle the resultant caseload increase. Allocation to the Attorney III level is recommended because of the routine nature of the prosecutions to be handled.</p>				
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	1,950 X 6	11,700						
6.	Benefits		1,919						
7.	Supplemental Benefits		717						
8.	Fixed Benefits		660						
9.	TOTAL PERSONAL SERVICES		01	14,996					
10.	Travel		02	500					
11.	Contractual		03	3,800					
12.	Commodities		04	2,700					
13.	Equipment		05	1,500					
14.	Other								
15.	TOTAL COST			23,496					
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004		23,496					
19.		I-A Receipts 1005							
20.		Program Receipts 1020							
21.		Other							
FOR D&H USE ONLY									
4A KEY NUMBER _____									

AGENCY DEPARTMENT OF LAW  
PROGRAM DUE PROCESS  
DRU PROSECUTION

**13** REQUEST FOR  
NEW POSITION

**FY 8!**

1.	POSITION TITLE Legal Secretary I			RANGE/STEP 10B	ORG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DIS.
2.	TYPE OF POSITION PFT	STAFF MONTHS 6	RP NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 8	LEG.	

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary 1.803 X 6	10,818	
6.	Benefits	1,774	
7.	Supplemental Benefits	663	
8.	Fixed Benefits	1,368	
9.	TOTAL PERSONAL SERVICES	01	14,623
10.	Travel	02	
11.	Contractual	03	4,200
12.	Commodities	04	2,700
13.	Equipment	05	13,500
14.	Other		
15.	TOTAL COST		35,023

JUSTIFICATION

This position is requested to provide the clerical support for the DWLS caseload increase that will result from the drivers license suspension provisions of HB 7. The position will handle office scheduling, communications, filing and prepare the substantial amount of documentation for each case that is needed to show proof of notice and the length and dates of suspensions. Allocation to the Legal Secretary I classification is recommended.

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	35,023
19.		I-A Receipts 1005	
20.		Program Receipts 102B	
21.		Other	

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4A KEY NUMBER \_\_\_\_\_

13 REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF LAW  
PROGRAM DUE PROCESS  
BRU PROSECUTION

Page 1 of 1

FY 8!

1.	POSITION TITLE Attorney III			RANGE/STEP 22A	BARG. UNIT PX	FORM 12 PAGE/LINE	GOV.	APPROV.	DISM.
2.	TYPE OF POSITION PFT	STAFF MONTHS 6	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 16A	LEG.	
3.	CONTINUATION LEVEL			ADDITION	JUSTIFICATION				
4.	TYPE OF EXPENDITURE			AMOUNT					
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	4,464 X 6	26,784						
6.	Benefits		4,393						
7.	Supplemental Benefits		1,642						
8.	Fixed Benefits		1,315						
9.	TOTAL PERSONAL SERVICES		01	34,134					
10.	Travel		02	1,500					
11.	Contractual		03	2,400					
12.	Commodities		04	3,300					
13.	Equipment		05	1,500					
14.	Other								
15.	TOTAL COST			42,834					
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004		42,834					
19.		I-A Receipts 1005							
20.		Program Receipts 1020							
21.		Other							
FOR D&M USE ONLY									
4A KEY NUMBER _____									

This position is requested to handle the large number of DWLS violations that will result from the drivers license suspension provisions of HB 7. One attorney position will be needed at Fairbanks to handle the resultant caseload increase. Allocation to the Attorney III level is recommended because of the routine nature of the prosecutions to be handled.

13 REQUEST FOR NEW POSITION

AGENCY DEPARTMENT OF LAW  
PROGRAM DUE PROCESS  
BRU PROSECUTION

FY 81

1.	POSITION TITLE Legal Secretary I				RANGE/STEP 10B	DARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DIS.
2.	TYPE OF POSITION PFT	STAFF MONTHS 6	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 16A	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE									
	1		2		3					
	PERSONAL SERVICES									
5.	Salary	2,033 X 6	12,198							
6.	Benefits		2,000							
7.	Supplemental Benefits		747							
8.	Fixed Benefits		1,368							
9.	TOTAL PERSONAL SERVICES		01		16,313					
10.	Travel		02							
11.	Contractual		03		2,100					
12.	Commodities		04		2,700					
13.	Equipment		05		13,500					
14.	Other									
15.	TOTAL COST				34,613					
JUSTIFICATION										
<p>This position is requested to provide the clerical support for the DWLS caseload increase that will result from the drivers license suspension provisions of HB 7. The position will handle office scheduling, communications, filing, and prepare the substantial amount of documentation that is needed for each case to show proof of notice and length and dates of suspension. Allocation to the Legal Secretary I classification is recommended.</p>										
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004				34,613				
19.		I-A Receipts 1005								
20.		Program Receipts 1020								
21.		Other								
FOR D&M USE ONLY										
4A KEY NUMBER _____										

13 REQUEST FOR  
NEW POSITION

AGENCY DEPARTMENT OF LAW  
PROGRAM DUE PROCESS  
BRU PROSECUTION

Page 1 of 1

FY 8!

# Alaska State Legislature



## Speaker of the House of Representatives

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3720

Official Business

Under the compromise, persons operating vehicles in isolated communities which are not connected by land highway to the land connected state highway system and/ or roads with an average daily traffic volume greater than 499 are exempt from the insurance provisions. The exemption is void if a person operates a vehicle in such an area but has a history of accident or serious traffic violation.

Under that provision, if a vehicle is operated in a community located on a state highway or accessible by road to the major highway system, the person would be subject to insurance provisions. The following is a general list of communities located on the land connected state highway system or accessible to that system by other land roadways.

THIS IS NOT AN OFFICIAL LIST.

ALASKA HIGHWAY connects with Glenn, Taylor, Steese and Elliott Highways

Northway  
Tok  
Tanacross  
Dot Lake  
Delta Junction  
North Pole  
Fairbanks

PARKS HIGHWAY connects with Glenn highway

Wasilla	Peters Creek
Knik	Cantwell
Houston	Kantishna
Willow	Healy
Talkeetna	Clear
Trapper Creek	Anderson
Nenana	Ester
Fairbanks	

GLENN HIGHWAY connects with Alaska, Richardson, Parks highways

Tok	Chistochina	Sutton	Eagle River
Mentasta	Gakona	Palmer	
Slana	Gulkana	Eklutna	
Nabesna	Glennallen	Chugiak	

Subject to insurance requirements (continued)

RICHARDSON HIGHWAY connects with Glenn, Edgerton and Denali Highways

Valdez  
Old Valdez  
Dayville  
Copper Center  
Paxson

SEWARD HIGHWAY connects with Anchorage and Sterling Highway

Anchorage  
Indian  
Girdwood  
Portage  
Hope  
Moose Pass  
Seward

STERLING HIGHWAY connects with Seward highway

Cooper Landing  
Sterling  
Soldotna  
Kenai  
North Kenai  
Kasilof  
Clam Gulch  
Ninilchik  
Anchor Point  
Homer

STEESE HIGHWAY connects with Parks and Alaska Highways

Circle  
Circle Hot Springs  
Central  
Fox  
Chena Hot Springs  
Fairbanks

TAYLOR HIGHWAY connects with AK. Highway

Chicken  
Eagle

ELLIOTT HIGHWAY connects to Steese, Parks, Alaska and Dalton Highways

Livengood  
Minto  
Manley Hot Springs

Subject to insurance requirements (continued)

DENALI HIGHWAY connects to Parks and Richardson  
Highways

Cantwell  
Paxson

EDGERTON HIGHWAY connects to Richardson Highway

McCarthy  
Chitina

HAINES HIGHWAY connects to Alaska Highway

Haines Klukwan  
Haines Junction

KLONDIKE HIGHWAY 2 connects with Alaska Highway

Skagway

The following are not communities which are connected to the land connected highway system but which contain roads which are connected to roadways that carry traffic in excess of 500 vehicles per day and thus would be subject to the insurance provisions. THIS IS NOT AN OFFICIAL LIST.

Dillingham  
Aleknagik (connected to Dillingham)

Kodiak  
Larsen Bay (connected to Kodiak)

Unalaska  
Dutch Harbor

Bethel

Nome ( all communities  
Teller connected  
Solomon by  
Council road)  
Ophir

Ketchikan (Tongass Highway)  
Ward Cove

Craig Hydaburg (all communities  
Klawock Naukati connected  
Hollis Coffman Cove by  
Thorne Bay road)

Wrangell (Zimovia Highway)  
Petersburg (Mitkof Highway)

CONTINUED

The following are not communities which are connected to the land connected highway system but which contain roads which are connected to roadways that carry traffic in excess of 500 vehicles per day and thus are subject to the insurance provisions. NOT AN OFFICIAL LIST.

Juneau  
Sitka  
Saxman

Cordova  
King Salmon  
Naknek  
Seldovia

Adak (?)

The following would be exempt from the insurance requirement. While this is not a complete list it is representative of the type of community that would be exempt, unless connected by road to a community listed on the previous pages. NOT AN OFFICIAL LIST

Akhiok	Koyuk	Togiak
Akiachak	Koyukuk	Toksook Bay
Akiak	Kwethluk	Tuluksak
Akutan	Kwigillingok	Tuntutuliak
Alakanuk	Levelock	Tununak
Allakaket	Manokotak	Twin Hills
Amblar	McGrath	Tyonek
Angoon	Medfra	Ugashik
Aniak	Mekoryuk	Unalakleet
Annette	Metlakatla	Upper/Lo. Kalskag
Anvik	Mountain Village	Venetie
Arctic Village	Naknek	Wainwright
Atka	Napakiak	Wales
Atmautluak	Napaskiak	White Mountain
Attu	New Stuyahok	Yakutat
Beaver	Newhalen	
Bartlett Cove	Newtok	
Bettles	Nightmute	
Birch Creek	Nikolai	
Brevig Mission	Nikolski	
Buckland	Noatak	
Chalkyitsik	Nondalton	
Chevak	Noorvik	
Chignik	Nuiqsut	
Chuathbaluk	Nulato	
Cold Bay	Nunapitchuk	
Deering	Nyac	
Eek	Old Harbor	
Egegik	Ouzinkie	
Ekwok	Pelican	
Elim	Pilot Point	
Emmonak	Pilot Station	
Flat	Point Hope	
Fort Yukon	Point Lay	
Galena	Port Alexander	
Gambell	Port Alsworth	
Golovin	Port Graham	
Goodnews Bay	Port Heiden	
Grayling	Port Lions	
Gustavus	Quinhagak	
Holy Cross	Rampart	
Hoonah	Ruby	
Hooper Village	Sand Point	
Hughes	Savoonga	
Huslia	Scammon Bay	
Hyder	Selawik	
Iliamna	Shageluk	
Kake	Shaktoolik	
Kaktovik	Shishmaref	
Kaltag	Shungnak	
Karluk	Skwentna	
Kasaan	Sleetmute	
Kasigluk	St. George	
King Cove	St. Marys	
Kipnuk	St. Paul	
Kivalina	Stebbins	
Kobuk	Stevens Village	
Kokhanok	Stony River	
Koliganek	Tanana	
Kongiganak	Tatitlek	
Kotlik	Tenakee Springs	
Kotzebue		

Rec. 3:10 pm  
4/30/84

CONFERENCE COMMITTEE REPORT

DATE: 4/30/84 3:10 pm

Mr. President:  
Mr Speaker:

The <sup>2d</sup> Conference Committee with limited powers of free conference  
which has had

CSSSHB 7(Fin) (An Act relating to motor vehicles;efd)

and

SCS CSSSHB 7(L&C) (Same title)

under consideration, recommends that  
the Conference Committee Substitute for House Bill  
Number 7 with the attached letter of intent

be adopted.

Senate Members:

[Signature]  
Senator Ferguson, Chairman  
[Signature]  
Senator Josephson  
[Signature]  
Senator Halford

House Members:

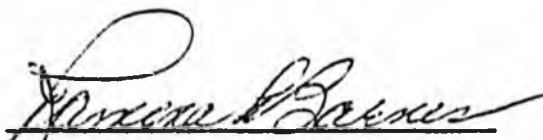
[Signature]  
Representative Barnes, Chairman  
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Representative Furnace  
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Representative Koponen

CONFERENCE COMMITTEE LETTER OF INTENT FOR HB '7

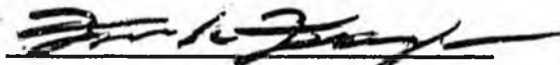
The Legislature directs the Department of Public Safety and the Department of Transportation to coordinate efforts toward the goal of implementing a procedure to more precisely determine how many Alaskan motorists drive uninsured.

The Department of Public Safety is also directed to compile statistics regarding the compensation of persons involved in traffic accidents toward the goal of determining what percentage of persons involved in accidents are adequately compensated for personal injury or property damage via insurance or other means available under the financial responsibility law.

Within 15 days of the convening of the first session of 15th Alaska State Legislature, the Departments of Public Safety and Law will report to the Legislature on the number of persons checked for insurance under the law and the disposition of those citations, the effect of the law in reducing the number of uninsured drivers and suggestions for changes in the mandatory law.



Rep. Ramona Barnes  
Chairman, House



Sen. Frank Ferguson  
Chairman, Senate

PROPOSED AMENDMENTS TO COMPROMISE HB 7

PAGE 1 LINE 16

after "vehicle" insert "which is to be operated on vehicular ways of the state where the potential for motor vehicle accidents is substantial"

PAGE 1 LINE 20

Delete Lines 20-23

PAGE 8 LINE 21

after "vehicle" insert "~~registered in the state and~~"

subject to registration pursuant to AS 28.10.011, when

PAGE 8 line 29

after "policy" add "or other means of adequate financial responsibility required by this chapter"

PAGE 8 line 32 same as above after "policy"

PAGE 8 Line 28

Change \$500 to \$300

Page 9 line 22 Add new sections f and g

(f) If a vehicle is being driven or moved on a highway or vehicular way not connected by a land highway or vehicular way to the land connected state highway system when that highway or vehicular way is not connected to a highway or vehicular way with an average daily traffic volume greater than 499, the operator of the vehicle is exempt from (a) of this section if the operator has not been involved in a traffic accident or cited for a moving violation within the preceding ten years.

(g) Every three years the Department shall publish a list of areas that meet the requirements for (f) of this section. The list shall be available for public inspection at all division of motor vehicle offices in the state.

Page 10 Line 2

after "effect" add "and present a copy of the certificate"

Page 10 Line 4

delete "spot"

Page 10 Line 30

change poof to proof