

SB47 INTRODUCED



1 SB47
2 DM1CNT-1
3 By Senator Shelnutt
4 RFD: Banking and Insurance
5 First Read: 06-Feb-24



4 SYNOPSIS:

5 Under existing law, the Commissioner of
6 Insurance is authorized to approve an assigned risk
7 plan for the equitable distribution of the costs
8 incurred in providing motor vehicle insurance to those
9 unable to obtain insurance through ordinary methods.

10 This bill would establish the Alabama Automobile
11 Insurance Plan and provide for the Commissioner of
12 Insurance to approve the plan.

13 This bill would provide that the plan shall be
14 administered by a governing committee comprised of
15 members approved by the commissioner. The governing
16 committee may authorize certain service providers to
17 issue motor vehicle liability policies to certain
18 applicants in the name of the plan.

19 This bill would also provide that any assigned
20 risk policy issued under the plan adopted by the
21 commissioner shall not create any liability to the
22 Department of Insurance, or any of its officers or
23 employees, or the state.

24
25
26 A BILL
27 TO BE ENTITLED
28 AN ACT



SB47 INTRODUCED

Relating to motor vehicle insurance; to amend Section 32-7-35, Code of Alabama 1975, to establish the Alabama Automobile Insurance Plan; to provide for the Commissioner of Insurance Department to approve the Alabama Automobile Insurance Plan to equitably apportion the cost of certain high risk motor vehicle liability policies; to authorize the issuance of these policies in the name of the plan; and to provide that no policy issued in the name of the plan shall create liability to the department, or any of its officers or employees, or the state.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 32-7-35, Code of Alabama 1975, is amended to read as follows:

"§32-7-35

(a) After consultation with insurance companies authorized to issue ~~automobile~~motor vehicle liability policies in this state, the Commissioner of Insurance shall approve a reasonable plan, to be known as the Alabama Automobile Insurance Plan, ~~or plans~~ for the equitable apportionment of costs among ~~such~~insurance companies ~~of~~for motor vehicle liability policy applicants ~~for such policies and~~ for motor vehicle liability policies who ~~are in good faith entitled to~~ ~~but~~ are unable to procure such policies through ordinary methods. The Alabama Automobile Insurance Plan shall be administered in accordance with the plan by a governing committee, consisting of members approved by the commissioner. ~~When any such plan has been approved,~~ Once the commissioner



SB47 INTRODUCED

approves the plan, all ~~such~~ insurance companies authorized to
issue motor vehicle liability policies in this state shall
subscribe ~~thereto and participate therein~~ to the plan.

(b) The governing committee may authorize one or more
service providers to issue motor vehicle liability policies in
the name of the Alabama Automobile Insurance Plan and provide
policyholder and claims services. Any policy issued pursuant
to this section shall be recognized as if issued by an
insurance company authorized to issue insurance in this state.
Such a policy shall also be considered as proof of financial
responsibility or insurance pursuant to Chapter 7 and Chapter
7A of Title 32, or any other applicable requirement of state
law.

(c) Any applicant for ~~any such policy, or any person
insured ~~under any such plan~~ by a policy provided under the
Alabama Automobile Insurance Plan, and any insurance company
affected by the administration of the plan may appeal to the
~~Commissioner of Insurance~~ commissioner from any ruling or
decision of the governing committee ~~manager or committee~~
~~designated to operate such plan.~~ Any person aggrieved
hereunder by any order or act of the Commissioner of Insurance
~~may,~~ within 10 days after notice thereof, may file a petition
in the Circuit Court of Montgomery County, Alabama, for a
review thereof. The court shall summarily hear the petition
and may enter any appropriate order or judgment.~~

(d) This section shall not revoke any exception granted
to the automobile assigned risk plan under any other provision
of this code.



SB47 INTRODUCED

85 (e) Annually, the governing committee shall file an
86 audited financial report with the commissioner.

87 (f) The commissioner may establish regulations required
88 to implement the purposes of this section."

89 Section 2. This act shall become effective on October
90 1, 2024.