

# HB141 INTRODUCED



1 HB141  
2 RR66NNM-1  
3 By Representative Ellis  
4 RFD: Insurance  
5 First Read: 07-Feb-24



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SYNOPSIS:

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

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

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

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

A BILL  
TO BE ENTITLED  
AN ACT



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29  
30 Relating to motor vehicle insurance; to amend Section  
31 32-7-35, Code of Alabama 1975, to establish the Alabama  
32 Automobile Insurance Plan; to provide for the Commissioner of  
33 Insurance Department to approve the Alabama Automobile  
34 Insurance Plan to equitably apportion the cost of certain high  
35 risk motor vehicle liability policies; to authorize the  
36 issuance of these policies in the name of the plan; and to  
37 provide that no policy issued in the name of the plan shall  
38 create liability to the department, or any of its officers or  
39 employees, or the state.

40 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

43 "§32-7-35

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



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

60 (b) The governing committee may authorize one or more  
61 service providers to issue motor vehicle liability policies in  
62 the name of the Alabama Automobile Insurance Plan and provide  
63 policyholder and claims services. Any policy issued pursuant  
64 to this section shall be recognized as if issued by an  
65 insurance company authorized to issue insurance in this state.  
66 Such a policy shall also be considered as proof of financial  
67 responsibility or insurance pursuant to Chapter 7 and Chapter  
68 7A of Title 32, or any other applicable requirement of state  
69 law.

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

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



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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.