

Mandatory Liability Insurance

In Alabama, the uninsured motorist rate is estimated to be 22%, which ranks 6th worst in the nation.*

The Alabama Mandatory Liability Insurance Law provides that **no person shall operate, register, or maintain registration of a motor vehicle designed to be used on a public road or highway unless it is covered by a liability insurance policy.** The law was passed to protect consumers when they are involved in an accident.

Liability insurance policies must be issued by insurers licensed to do business in Alabama for no less than:

- \$25,000 for death or bodily injury to one person;
- \$50,000 for death or bodily injury to two or more persons; and
- \$25,000 for damage or destruction of property.

Minimum liability insurance is required on all self-propelled motor vehicles. Some vehicles that are exempt from the law include trailers, government-owned vehicles and vehicles covered under a commercial automobile liability insurance policy. Section 32-7A-5, **Code of Alabama 1975**, provides a list of other vehicles that are specifically exempt from the law.

*Insurance Research Council 4/2/2011

Complying With the Law

Beginning January 1, 2013, license plate issuing officials will attempt to verify liability insurance utilizing the State of Alabama Online Insurance Verification System, which will allow license plate issuing officials to immediately verify the insurance status of a vehicle at any point in time.

If insurance cannot be verified through the Online Insurance Verification System, vehicle owners must provide evidence of insurance to the license plate issuing official. The insurance card is the most common evidence of current insurance. To be acceptable, the proof of insurance must display the current effective date, insurer's NAIC number, vehicle identification number (VIN) and policy number.

In addition to providing evidence of insurance, a valid state issued driver license, non-driver identification card, or national driver license must be provided for **each** owner reflected on the vehicle title. If the vehicle owner is a company, the federal employer identification number (FEIN) is required.

Enforcement

The mandatory liability insurance law is enforced by the following methods:

- 1) Verification of insurance by law enforcement during traffic stops or accidents.
- 2) Verification of insurance by county license plate issuing officials prior to vehicle registration or renewal.
- 3) Verification of insurance by the Department of Revenue by sending requests for insurance information to vehicle owners:
 - a. whose registrations have been suspended;
 - b. who have been convicted of mandatory liability insurance violations; or
 - c. whose driving privileges have been suspended or revoked.

Vehicle operators must provide evidence of insurance upon request to any law enforcement officer. **Beginning January 1, 2013, law enforcement officers will attempt to verify liability insurance utilizing the State of Alabama Online Insurance Verification System, which will allow law enforcement officers to immediately verify the insurance status of a vehicle.**

Penalties for Violations

An owner or operator convicted of a mandatory liability insurance violation may be fined up to \$500 for the first violation and up to \$1,000 for the second or subsequent violation and/or a six month driver's license suspension.

In addition to the above violation, if a vehicle is registered **or** operated without liability insurance, the vehicle registration will be suspended and the vehicle owner will be subject to the following:

- First violation - \$200 reinstatement fee.
- Second or subsequent violations - \$400 reinstatement fee **and** a mandatory four month registration suspension.

Evidence of current insurance must also be provided in order to reinstate the vehicle registration.

Evidence of current insurance along with the reinstatement fee may be submitted to the county license plate issuing official in the vehicle owner's county of residence, or any of the Alabama Department of Revenue Taxpayer Service Centers located throughout Alabama. Please visit www.revenue.alabama.gov for Taxpayer Service Center locations.

Accidents with Uninsured Motorists

Insurance information is available from the motorist involved in an accident or from the Safety Responsibility Accident Report (SR-13) filed with the Department of Public Safety. For additional information, contact:

Alabama Department of Public Safety
Driver License Division
Safety Responsibility Section
P.O. Box 1471
Montgomery, AL 36102
(334) 242-4222
www.dps.alabama.gov



More Information

For additional information concerning Alabama's mandatory liability insurance law, contact:

Alabama Department of Revenue
Motor Vehicle Division
Mandatory Liability Insurance Unit
P.O. Box 327650
Montgomery, AL 36132- 7650
Phone: (334) 242-3000
Fax: (334) 353-8105
Email: mli@revenue.alabama.gov
www.revenue.alabama.gov



Important Notice

concerning
Mandatory Liability Insurance Law

NOIUS
Online Insurance Verification System