

810-5-12-.05 Evidence of Blanket Liability Insurance Coverage for Licensed Motor Vehicle Dealers, Motor Vehicle Rebuilders, and Motor Vehicle Wholesalers.

(1) Section 40-12-392, Code of Alabama 1975, requires licensed motor vehicle dealers, motor vehicle rebuilders and motor vehicle wholesalers to maintain blanket motor vehicle liability insurance coverage, and to file evidence of such insurance with the application for license. This rule establishes guidelines for the required coverage, and specifies the methods of proof for liability insurance before the license is issued.

(2) Each applicant for a motor vehicle dealer, motor vehicle wholesaler or motor vehicle rebuilder license must provide and certify the following information:

(a) The insurance policy is in the legal name of the business as provided on the license application.

(b) The name, address and NAIC (National Association of Insurance Commissioners) number of the insurance company providing the coverage for the license year.

(c) The policy number of the insurance company providing the coverage for the license year.

(d) Certification that applicant's insurance will be in effect in the form of a blanket motor vehicle liability insurance policy or commercial automobile liability insurance policy, covering all vehicles held in inventory by the licensee, whether located at a licensed location of the licensee, or operated on any public street or highway within the State of Alabama.

(e) The coverage amounts are no less than the minimum amounts set for bodily injury or death and for destruction of property under Section 32-7-6(c), Code of Alabama 1975.

(f) The certificate holder shall be listed as:

Alabama Department of Revenue
Motor Vehicle Division
P.O. Box 327643
Montgomery, AL 36132-7643

(3) The insurance company, or its licensed agent, as disclosed by the applicant in Section 2 of this rule, shall verify the insurance coverage electronically or by completion and submission of an insurance certification form, generated from the department's license application and renewal system prior to the issuance of a motor vehicle dealer, motor vehicle wholesaler, or motor vehicle rebuilder license.

(4) The insurance company or insurance company's licensed agent that previously verified coverage, as required in section 3 of this rule, shall provide the Department with notice of cancellation, if the policy is cancelled.

(5) In any case where an applicant knowingly furnishes an insurance certificate purporting insurance coverage which is false or nonexistent, or which he knows has lapsed prior to the application date, a penalty of \$1,000.00 shall be assessed in accordance with Section 40-12-29, Code of Alabama 1975. Any license issued to said applicant shall be revoked in accordance with Section 40-12-396, Code of Alabama 1975, and the applicant shall not be considered for another license. In the event that the licensee is a designated agent and the license is revoked, the licensee's designated agent status will also be revoked.

(6) If a notice of cancellation of insurance is received from the insurance carrier during the license year and the licensee does not provide proof of insurance coverage prior to the date of cancellation, the license shall be revoked and the licensee must apply for a new license rather than re-instating the previous license. The application for a new license must be accompanied by new surety bond, evidence of insurance as provided for in this rule and the required license fee(s).

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Authority: Sections 40-2A-7(a)(5) and 40-12-392(a), Code of Alabama 1975.

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