

PATRICK S. RYAN
d/b/a The Prisma Collection
155 Smothers Road
Montgomery, AL 36117,

Petitioner,

v.

STATE OF ALABAMA
DEPARTMENT OF REVENUE.

STATE OF ALABAMA
DEPARTMENT OF REVENUE
ADMINISTRATIVE LAW DIVISION

DOCKET NO. MISC. 01-191

FINAL ORDER

The Revenue Department refused to renew the used motor vehicle dealer's license of Patrick S. Ryan, d/b/a The Prisma Collection (APetitioner@). The Petitioner appealed to the Administrative Law Division pursuant to Code of Ala. 1975, § 40-2A-8(a). A hearing was conducted on May 3, 2001. The Petitioner was notified of the hearing by certified mail, but failed to appear. Assistant Counsel John Breckenridge represented the Department.

The issue in this case is whether the Department correctly refused to renew the Petitioner's motor vehicle dealer's license because he failed to provide the Department with proof of blanket motor vehicle liability insurance coverage.

The Petitioner has been licensed with the Department as a used motor vehicle dealer. The Petitioner owns a number of rare and expensive motor vehicles, which he offers for sale at retail.

The Petitioner applied with the Department to renew his motor vehicle dealer's license for the fiscal year beginning October 2000. The Department refused to renew the license because he failed to provide proof of blanket liability coverage. The Petitioner appealed.

Code of Ala. 1975, § 40-12-392(e) was enacted in 2000 to provide that any motor vehicle dealer shall be required to maintain blanket motor vehicle liability insurance coverage on vehicles operated on the public

streets and highways of this state, including vehicles in dealership inventory. The section further provides that an application for license shall be denied if proof of liability insurance satisfactory to the commissioner is not provided.

The Petitioner concedes that he does not have blanket liability insurance coverage, but argues that due to his special circumstances, he should be provided an exception to the statute. The Petitioner's appeal letter reads in part, as follows:

Since 1990 I have dealt only in antique and classic cars, most of which are valued in six or seven figures. My current 42-car inventory is insured for approximately \$8,000,000. I carry \$2,000,000 in liability insurance on these cars and all insurers for these types of car insist on specific per car notification. Blanket liability is not available from any of the insurers who will insure these types of cars. Ordinary dealer type insurers are not interested in providing coverage for cars of this value. My personal cars, and any car I buy is covered automatically for 30 days by State Farm, and the classic cars are covered when we notify our insurer which we always do before accepting delivery.

I have had Junie Pierce of Colonial Insurance, who has more experience than anyone I can imagine, looking for months, hither and yon, for a company that will write this coverage. As he said, they basically have no risk, but because they are interested in the dealer's whole package insurance and they are not interested in my type of cars, they are not interested in writing me blanket coverage. I therefore cannot produce the certificate that Ms. Jones needs before my application can clear her section.

I hereby ask that you grant an exception because I obviously have more actual coverage than is required and because these special circumstances were obviously not considered when the legislature passed the new act requiring blanket coverage.

I agree with the Petitioner that the Legislature probably did not foresee his special circumstances when it enacted ' 40-12-392(e). Unfortunately for the Petitioner, the statute clearly provides that a motor vehicle dealer must have blanket liability insurance. There is no statutory exception to that requirement. While I am not certain exactly what blanket insurance is, the Petitioner concedes that he does not have such

insurance. Consequently, the Petitioner's renewal application was properly denied by the Department.¹

This Final Order may be appealed to circuit court within 30 days. Code of Ala. 1975, § 40-2A-9(g).

Entered May 4, 2001.

¹For a similar result, see *Rushing v. State of Alabama*, Misc. 00-724 (Admin. Law Div. 2/20/01). I would suggest that the Petitioner discuss the matter with the Department to see if he can obtain some form of blanket coverage from an insurance company that would be acceptable to the Department.