

SECOND REGULAR SESSION

SENATE BILL NO. 1086

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WIELAND.

Read 1st time February 27, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5643S.011

AN ACT

To amend chapter 303, RSMo, by adding thereto four new sections relating to verification of motor vehicle financial responsibility.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 303, RSMo, is amended by adding thereto four new sections, to be known as sections 303.450, 303.455, 303.460, and 303.465, to read as follows:

303.450. 1. The department of revenue shall establish and maintain a web-based system for online verification of motor vehicle insurance, and shall require motor vehicle insurers to establish functionality for the online motor vehicle insurance verification system, as provided in sections 303.450 to 303.465. The online motor vehicle insurance verification system, including any exceptions as provided for in sections 303.450 to 303.465 or in the implementation guide developed to support the program, shall supersede any existing verification system, and shall be the sole system used for the purpose of verifying financial responsibility required under this chapter.

2. The department of revenue shall promulgate rules as necessary for the implementation of sections 303.450 to 303.465. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule

21 proposed or adopted after August 28, 2020, shall be invalid and void.

2 303.455. The department of revenue shall establish a system for
2 the online verification of motor vehicle insurance as required by this
3 section, subject to the following:

4 (1) The verification system shall transmit requests to insurers for
5 verification of motor vehicle insurance coverage via web services
6 established by the insurers through the world wide web in compliance
7 with the specifications and standards of the Insurance Industry
8 Committee on Motor Vehicle Administration, or "IICMVA". Insurance
9 company systems shall respond to each request with a prescribed
10 response upon evaluation of the data provided in the request. The
11 system shall include appropriate protections to secure its data against
12 unauthorized access, and the department of revenue shall maintain a
13 historical record of the system data for a period of no more than twelve
14 months from the date of all requests and responses. The system shall
15 be used for verification of the financial responsibility required under
16 this chapter. The system shall be accessible to authorized personnel of
17 the department of revenue, the courts, law enforcement personnel, and
18 other entities authorized by the state as permitted by state or federal
19 privacy laws, and it shall be interfaced, wherever appropriate, with
20 existing state systems. The system shall include information enabling
21 the department of revenue to submit inquiries to insurers regarding
22 motor vehicle insurance that are consistent with insurance industry
23 and IICMVA recommendations, specifications, and standards by using
24 the following data elements for greater matching accuracy: insurer
25 National Association of Insurance Commissioners, or "NAIC", company
26 code; vehicle identification number; policy number; verification date;
27 or as otherwise described in the specifications and standards of the
28 IICMVA. The department of revenue shall promulgate rules to offer
29 insurers who insure one thousand or fewer vehicles within this state an
30 alternative method for verifying motor vehicle insurance coverage in
31 lieu of web services, and to provide for the verification of financial
32 responsibility when financial responsibility is proven to the
33 department to be maintained by means other than a policy of motor
34 vehicle insurance. Insurers shall not be required to verify insurance
35 coverage for vehicles registered in other jurisdictions.

36 (2) The verification system shall respond to each request within

37 a time period established by the department of revenue. An insurer's
38 system shall respond within the time period prescribed by the IICMVA's
39 specifications and standards. Insurer systems shall be permitted
40 reasonable system downtime for maintenance and other work with
41 advance notice to the department of revenue. Insurers shall not be
42 subject to enforcement fees or other sanctions under such
43 circumstances, or when systems are not available because of
44 emergency, outside attack, or other unexpected outages not planned by
45 the insurer and reasonably outside its control.

46 (3) When the department of revenue has reason to believe a
47 motor vehicle has been or is currently being operated without
48 maintaining financial responsibility, the owner's vehicle registration
49 may be suspended or revoked. The registration shall not be reinstated,
50 and a new registration shall not be issued, unless proof of financial
51 responsibility has been provided to the department of revenue, and any
52 applicable fines or reinstatement fees have been paid.

53 (4) The goal of the system shall be to assist in the identification
54 of uninsured motorists in the most effective way possible. Responses
55 to individual insurance verification requests shall have no bearing on
56 whether insurance coverage is determined to be in force at the time of
57 a claim. Claims shall be individually investigated to determine the
58 existence of coverage. Nothing in sections 303.450 to 303.465 shall
59 prohibit the department of revenue from contracting with a third-party
60 vendor or vendors who have successfully implemented similar systems
61 in other states to assist in establishing and maintaining this
62 verification system.

63 (5) The department of revenue shall consult with representatives
64 of the insurance industry and may consult with third-party vendors to
65 determine the objectives, details, and deadlines related to the system
66 by establishment of an advisory council. The advisory council shall
67 consist of voting members comprised of:

68 (a) The director of the department of commerce and insurance,
69 or his or her designee, who shall serve as chair;

70 (b) Two representatives of the department of revenue, to be
71 appointed by the director of the department of revenue;

72 (c) One representative of the department of commerce and
73 insurance, to be appointed by the director of the department of

74 **commerce and insurance;**

75 **(d) Three representatives of insurance companies to be**
76 **appointed by the director of the department of commerce and**
77 **insurance;**

78 **(e) One representative from the Missouri Insurance Coalition;**

79 **(f) One representative chosen by the National Association of**
80 **Mutual Insurance Companies;**

81 **(g) One representative chosen by the American Property and**
82 **Casualty Insurance Association;**

83 **(h) One representative chosen by the Missouri Independent**
84 **Agents Association; and**

85 **(i) Such other representatives as may be appointed by the**
86 **director of the department of commerce and insurance.**

87 **(6) The department of revenue shall publish for comment, and**
88 **then issue, a detailed implementation guide for its online verification**
89 **system.**

90 **(7) The department of revenue and its third-party vendors, if**
91 **any, shall each maintain a contact person for insurers during the**
92 **establishment, implementation, and operation of the system.**

93 **(8) If the department of revenue has reason to believe a vehicle**
94 **owner does not maintain financial responsibility as required under this**
95 **chapter, it may also request an insurer to verify the existence of such**
96 **financial responsibility in a form approved by the department of**
97 **revenue. In addition, insurers shall cooperate with the department of**
98 **revenue in establishing and maintaining the verification system**
99 **provided by this section, and shall provide motor vehicle insurance**
100 **policy status information as provided in the rules promulgated by the**
101 **department of revenue.**

102 **(9) Every property and casualty insurance company licensed to**
103 **issue motor vehicle insurance or authorized to do business in this state**
104 **shall comply with sections 303.450 to 303.465, and corresponding rules**
105 **promulgated by the department of revenue, for the verification of such**
106 **insurance for every vehicle insured by that company in this state.**

107 **(10) Insurers shall maintain a historical record of insurance data**
108 **for a minimum period of six months from the date of policy inception**
109 **or policy change for the purpose of historical verification inquiries.**

110 (11) For the purposes of this section, "commercial auto coverage"
111 shall mean any coverage provided to an insured, regardless of number
112 of vehicles or entities covered, under a commercial coverage form and
113 rated from a commercial manual approved by the department of
114 commerce and insurance. Sections 303.450 to 303.465 shall not apply to
115 vehicles insured under commercial auto coverage; however, insurers of
116 such vehicles may participate on a voluntary basis.

117 (12) Insurers shall provide commercial or fleet automobile
118 customers with evidence reflecting that the vehicle is insured under a
119 commercial or fleet automobile liability policy. Sufficient evidence
120 shall include an insurance identification card clearly marked with a
121 suitable identifier such as "commercial auto insurance identification
122 card", "fleet auto insurance identification card", or other clear
123 identification that the vehicle is insured under a fleet or commercial
124 policy.

125 (13) Insurers shall be immune from civil and administrative
126 liability for good faith efforts to comply with the terms of sections
127 303.450 to 303.465.

128 (14) Nothing in this section shall prohibit an insurer from using
129 the services of a third-party vendor for facilitating the insurance
130 verification program required under sections 303.450 to 303.465.

303.460. Not more than two years after the establishment of the
2 online insurance verification system, the department of revenue, after
3 consultation with insurers, shall report to the legislature as to the costs
4 of the program incurred by the department, insurers, and the public,
5 and the effectiveness of the program in reducing the number of
6 uninsured motor vehicles.

303.465. The verification system shall be installed and fully
2 operational by January 1, 2022, following an appropriate testing or
3 pilot period of not less than nine months. Until the successful
4 completion of the testing or pilot period in the judgment of the director
5 of the department of revenue, no enforcement action shall be taken
6 based on the system.

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