

IN THE SENATE

SENATE BILL NO. 1283

BY TRANSPORTATION COMMITTEE

AN ACT

1 RELATING TO MOTOR VEHICLE INSURANCE; AMENDING SECTION 49-1234, IDAHO CODE,  
2 TO REVISE PROVISIONS REGARDING THE ONLINE INSURANCE VERIFICATION  
3 SYSTEM, TO PROVIDE THAT THE IDAHO TRANSPORTATION DEPARTMENT SHALL PRO-  
4 MULGATE RULES TO PROVIDE INSURERS AN ALTERNATIVE METHOD FOR VERIFYING  
5 MOTOR VEHICLE INSURANCE POLICY DATA AND TO REVISE PROVISIONS REGARDING  
6 THE METHODS OF VERIFICATION; AND AMENDING CHAPTER 13, TITLE 41, IDAHO  
7 CODE, BY THE ADDITION OF A NEW SECTION 41-1338, IDAHO CODE, TO PROVIDE  
8 THAT FAILURE TO COMPLY WITH SPECIFIED LAW REGARDING UNINSURED VEHICLE  
9 TRACKING SHALL CONSTITUTE A WRONGFUL PRACTICE AND SUBJECT AN INSURER TO  
10 CERTAIN PENALTIES.  
11

12 Be It Enacted by the Legislature of the State of Idaho:

13 SECTION 1. That Section 49-1234, Idaho Code, be, and the same is hereby  
14 amended to read as follows:

15 49-1234. ONLINE INSURANCE VERIFICATION SYSTEM -- PEACE OFFICER DUTIES  
16 -- RULEMAKING. (1) The department shall establish and maintain an online in-  
17 surance verification system for motor vehicle insurance coverage required  
18 by the provisions of this chapter, subject to the following:

19 (a) The department shall consult with representatives of the insurance  
20 industry to determine the objectives, details and deadlines relating to  
21 the verification system;

22 (b) The verification system shall be accessible through the internet,  
23 world wide web or a similar proprietary or common carrier electronic  
24 system by authorized personnel of the department, department of in-  
25 surance, courts, law enforcement entities and of any other entity  
26 authorized by the department;

27 (c) The verification system shall provide for direct inquiry and re-  
28 sponse between the department and insurance carriers, or such other  
29 method of inquiry and response as agreed to by the department and indi-  
30 vidual insurance carriers, ~~and direct access to insurers' records by~~  
31 ~~personnel authorized by the department;~~

32 (d) The verification system shall be capable of sending inquiries to  
33 and receiving responses from insurers for the purpose of verifying cur-  
34 rent motor vehicle insurance coverage via web services established by  
35 insurers through the internet, world wide web or a similar proprietary  
36 or common carrier electronic system, in compliance with the specifica-  
37 tions and standards of the insurance industry committee on motor vehi-  
38 cle administration (IICMVA), provided that the department shall pro-  
39 mulgate rules to provide insurers an alternative method for ~~reporting~~  
40 verifying motor vehicle insurance policy data rather than establishing  
41 web services or utilizing IICMVA's insurance data transfer guide;

1 (e) With the exception of unplanned system outages, the verification  
2 system shall be available twenty-four (24) hours a day to verify the in-  
3 surance status of any motor vehicle registered in this state through the  
4 vehicle's identification number, policy number, national association  
5 of insurance commissioners' (NAIC) code or registered owner's name or  
6 other identifying characteristic or marker; provided that a reasonable  
7 amount of downtime may be allotted for planned system outages;

8 (f) The verification system shall include appropriate provisions, con-  
9 sistent with IICMVA standards, to secure its data against unauthorized  
10 access and to maintain a record of all information requests; and

11 (g) All information exchanged between the department and insurance  
12 companies, any database created, all information contained in the  
13 verification system and all reports, responses or other information  
14 generated for the purposes of the verification system shall be exempt  
15 from disclosure as provided in section 74-106, Idaho Code.

16 (2) As a condition for writing motor vehicle liability insurance poli-  
17 cies in this state, insurance carriers shall cooperate with the department  
18 in establishing and maintaining the insurance verification system and shall  
19 provide access to motor vehicle insurance policy status information as may  
20 be provided in rules promulgated by the department.

21 (3) Insurers that make good faith efforts to comply with the provisions  
22 of this section shall be immune from civil or administrative liability re-  
23 lated to this section.

24 (4) Peace officers shall access information from the online insurance  
25 verification system to verify the current validity of motor vehicle liabil-  
26 ity insurance. If insurance is verified, then the peace officer shall not  
27 issue a citation for an infraction violation of the provisions of section  
28 49-1232, Idaho Code.

29 (5) If an Idaho uniform citation is issued to a person for an infraction  
30 violation of the provisions of section 49-1232, Idaho Code, and it is sub-  
31 sequently found that the legally required motor vehicle insurance coverage  
32 was in force at the time of the issuance of the citation, then the court shall  
33 dismiss the citation without penalty and such citation shall not appear on  
34 the person's record.

35 (6) This section shall not apply to any vehicle insured under commer-  
36 cial motor vehicle coverage and shall not apply to implements of husbandry  
37 and golf carts. As used in this section, "commercial motor vehicle coverage"  
38 means an insurance policy that covers a business's vehicles and employees.

39 (7) The department may promulgate rules in accordance with the provi-  
40 sions of chapter 52, title 67, Idaho Code, to carry out the provisions of this  
41 section.

42 SECTION 2. That Chapter 13, Title 41, Idaho Code, be, and the same is  
43 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
44 ignated as Section 41-1338, Idaho Code, and to read as follows:

45 41-1338. UNINSURED VEHICLE TRACKING -- PENALTIES. Tracking uninsured  
46 vehicles through online insurance verification is an important policy of the  
47 state of Idaho that requires the participation of all auto insurers. Failure  
48 to comply with the provisions of section 49-1234, Idaho Code, shall consti-

1 tute a wrongful practice and the insurer shall be subject to penalties pur-  
2 suant to section 41-327, Idaho Code.