

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 179, As Amended

BY WAYS AND MEANS COMMITTEE

AN ACT

RELATING TO MOTOR VEHICLE INSURANCE; AMENDING SECTION 49-1234, IDAHO CODE,
TO SPECIFY CERTAIN REQUIREMENTS OF THE ONLINE INSURANCE VERIFICATION
PROGRAM; AND PROVIDING AN EFFECTIVE DATE.

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

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

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

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

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

(c) The verification system shall provide for direct inquiry and re-
sponse between the department and insurance carriers, or such other
method of inquiry and response as agreed to by the department and indi-
vidual insurance carriers;

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

(e) With the exception of unplanned system outages, the verification
system shall be available twenty-four (24) hours a day to verify the
insurance status of any motor vehicle registered in this state through
the vehicle's identification number, policy number, national associ-
ation of insurance commissioners' (NAIC) code or registered owner's
name; provided that a reasonable amount of downtime may be allotted for
planned system outages;

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

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

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

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

17 (4) The department shall establish a program to match information from
18 the online insurance verification system with motor vehicle registrations
19 to determine whether owners of motor vehicles have established financial re-
20 sponsibility. The department shall suspend the registration of any motor
21 vehicle identified by the department as having failed to comply with the fi-
22 nanacial responsibility requirements. The program shall include:

23 (a) Insurers reporting data to the verification system monthly;

24 (b) The department performing a periodic match at least monthly of the
25 information from the online insurance verification system with motor
26 vehicle registrations to determine whether owners of motor vehicles
27 have established financial responsibility;

28 (c) An initial notice to an owner of a motor vehicle who is shown to not
29 have established or maintained financial responsibility for two (2)
30 consecutive months. Such notice shall provide thirty (30) days for an
31 owner to comply with the financial responsibility requirements or to
32 notify the department of exemption before suspension of an owner's reg-
33 istration will be effective;

34 (d) A final notice of immediate suspension of registration shall be
35 mailed to an owner of a motor vehicle who does not establish financial
36 responsibility after being given thirty (30) days to comply with such
37 requirement;

38 (e) That the department may offer, and that an owner may consent to, the
39 sending of all eligible notices by e-mail in lieu of sending such no-
40 tices through the mail;

41 (f) The opportunity for an owner to provide a certificate or proof of
42 liability insurance prior to any action taken against the registration;

43 (g) That a registration may not be reinstated unless evidence of in-
44 surance is provided to the department and a reinstatement fee of sev-
45 enty-five dollars (\$75.00) is paid to the department. These fees shall
46 be deposited into the state highway account. These fees are in addition
47 to any other applicable fines, penalties, and fees;

48 (h) That an owner may lawfully suspend vehicle insurance pursuant to
49 section 41-2516, Idaho Code; and

1 (i) That an owner may notify the department when exempt from the re-
2 quirement to possess proof of vehicle financial responsibility for rea-
3 sons allowed by Idaho Code or pursuant to rules promulgated by the de-
4 partment. If an exemption applies, the department shall mark the regis-
5 tration record as exempt and such registration shall not be suspended.

6 (5) Peace officers shall access information from the online insurance
7 verification system to verify the current validity of motor vehicle liabil-
8 ity insurance. If insurance is verified, then the peace officer shall not
9 issue a citation for an infraction violation of the provisions of section
10 49-1232, Idaho Code.

11 (56) If an Idaho uniform citation is issued to a person for an infrac-
12 tion violation of the provisions of section 49-1232, Idaho Code, and it is
13 subsequently found that the legally required motor vehicle insurance cover-
14 age was in force at the time of the issuance of the citation, then the court
15 shall dismiss the citation without penalty and such citation shall not ap-
16 pear on the person's record.

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

21 (78) The department may promulgate rules in accordance with the provi-
22 sions of chapter 52, title 67, Idaho Code, to carry out the provisions of this
23 section.

24 SECTION 2. Section 1 of this act shall be in full force and effect on and
25 after January 1, 2020.