

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 nanancial 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.