

SECOND REGULAR SESSION

# HOUSE BILL NO. 2733

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FRANCIS.

5751H.011

DANA RADEMAN MILLER, Chief Clerk

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

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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

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

**(2) The verification system shall respond to each request within a time period established by the department of revenue. An insurer's system shall respond within the time period prescribed by the IICMVA's specifications and standards. Insurer systems shall be permitted reasonable system downtime for maintenance and other work with advance notice to the department of revenue. Insurers shall not be subject to enforcement fees or other sanctions under such circumstances, or when systems are not available because of emergency, outside attack, or other unexpected outages not planned by the insurer and reasonably outside its control.**

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

42           (4) The goal of the system shall be to assist in the identification of uninsured  
43 motorists in the most effective way possible. Responses to individual insurance verification  
44 requests shall have no bearing on whether insurance coverage is determined to be in force  
45 at the time of a claim. Claims shall be individually investigated to determine the existence  
46 of coverage. Nothing in sections 303.450 to 303.465 shall prohibit the department of  
47 revenue from contracting with a third-party vendor or vendors who have successfully  
48 implemented similar systems in other states to assist in establishing and maintaining this  
49 verification system.

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

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

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

58           (c) One representative of the department of commerce and insurance, to be  
59 appointed by the director of the department of commerce and insurance;

60           (d) Three representatives of insurance companies to be appointed by the director  
61 of the department of commerce and insurance;

62           (e) One representative from the Missouri Insurance Coalition;

63           (f) One representative chosen by the National Association of Mutual Insurance  
64 Companies;

65           (g) One representative chosen by the American Property and Casualty Insurance  
66 Association;

67           (h) One representative chosen by the Missouri Independent Agents Association;  
68 and

69           (i) Such other representatives as may be appointed by the director of the  
70 department of commerce and insurance.

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

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

76           **(8) If the department of revenue has reason to believe a vehicle owner does not**  
77 **maintain financial responsibility as required under this chapter, it may also request an**  
78 **insurer to verify the existence of such financial responsibility in a form approved by the**  
79 **department of revenue. In addition, insurers shall cooperate with the department of**  
80 **revenue in establishing and maintaining the verification system provided by this section,**  
81 **and shall provide motor vehicle insurance policy status information as provided in the**  
82 **rules promulgated by the department of revenue.**

83           **(9) Every property and casualty insurance company licensed to issue motor vehicle**  
84 **insurance or authorized to do business in this state shall comply with sections 303.450 to**  
85 **303.465, and corresponding rules promulgated by the department of revenue, for the**  
86 **verification of such insurance for every vehicle insured by that company in this state.**

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

90           **(11) For the purposes of this section, "commercial auto coverage" shall mean any**  
91 **coverage provided to an insured, regardless of number of vehicles or entities covered,**  
92 **under a commercial coverage form and rated from a commercial manual approved by the**  
93 **department of commerce and insurance. Sections 303.450 to 303.465 shall not apply to**  
94 **vehicles insured under commercial auto coverage; however, insurers of such vehicles may**  
95 **participate on a voluntary basis.**

96           **(12) Insurers shall provide commercial or fleet automobile customers with evidence**  
97 **reflecting that the vehicle is insured under a commercial or fleet automobile liability policy.**  
98 **Sufficient evidence shall include an insurance identification card clearly marked with a**  
99 **suitable identifier such as "commercial auto insurance identification card", "fleet auto**  
100 **insurance identification card", or other clear identification that the vehicle is insured**  
101 **under a fleet or commercial policy.**

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

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

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

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

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