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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO MOTOR AND OTHER VEHICLES - ONLINE MOTOR VEHICLE
INSURANCE VERIFICATION

Introduced By: Senators DiPalma, Lombardi, and Ciccone

Date Introduced: February 28, 2013

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 31 of the General Laws entitled "MOTOR AND OTHER
2 VEHICLES" is hereby amended by adding thereto the following chapter:

3 CHAPTER 32.1

4 ONLINE MOTOR VEHICLE INSURANCE VERIFICATION ACT

5 **31-32.1-1. Short title. --** This act shall be known and may be cited as "The Online Motor
6 Vehicle Insurance Verification Act."

7 **31-32.1-2. Establishment of online system. --** The division of motor vehicles
8 (hereinafter "division") shall establish an accessible common carrier based system for online
9 verification of the evidence of vehicle liability insurance, as specified; requiring motor vehicle
10 insurers to provide policy information for the online verification system, as specified, providing
11 an appropriation; and providing for an effective date. Implementation of an online verification
12 system, including any exceptions as provided for in this chapter or in the user guide developed to
13 support the program, supersedes any existing verification system and shall be the sole system
14 used for the purpose of verifying evidence of mandatory liability insurance as prescribed by the
15 laws of the state.

16 **31-32.1-3. Adoption of rules. --** The division shall adopt by rule and regulation online
17 verification of evidence of insurance as required by this section, subject to the following:

18 (1) Unless otherwise described herein, the online verification of evidence of insurance

1 system that is adopted shall be the sole and exclusive system for insurers' reporting and verifying
2 evidence of insurance.

3 (2) The verification system shall send requests to insurers for verification of evidence of
4 insurance via web services established by the insurers, through the internet, world wide web or a
5 similar proprietary or common carrier electronic system, in compliance with the specifications
6 and standards of the Insurance Industry Committee on Motor Vehicle Administration (IICMVA),
7 with enhancements, additions, and modifications as required by the division, but which do not
8 conflict, nullify, or add requirements that are inconsistent with the specifications and standards of
9 the IICMVA. The system shall include appropriate provisions to secure its data against
10 unauthorized access and shall maintain a historical record of all system requests and responses for
11 a period of at least six (6) months from the date of such requests and responses.

12 (3) The system shall be used for verification of the evidence of mandatory liability
13 insurance coverage as prescribed by the laws of the state and shall be accessible to authorized
14 personnel of the division, the courts, law enforcement personnel, and any other entities
15 authorized by the state as permitted by state or federal privacy laws, and it shall be interfaced,
16 wherever appropriate, with existing state systems. The system shall include information which
17 will enable the division to make inquiries to insurers of evidence of insurance that is consistent
18 with insurance industry and IICMVA recommendations, specifications and standards by using
19 multiple data elements for greater matching accuracy, specifically: Insurer NAIC (National
20 Association of Insurance Commissioners) company code, vehicle identification number, policy
21 number, or as described in the specifications and standards of the IICMVA.

22 (4) At the discretion of the division, rules and regulations may be established to offer
23 insurers, who write fewer policies, an alternative method for reporting insurance policy data
24 instead of establishing web services.

25 **31-32.1-4. Suspension or revocation of registration.** -- When the division has reason to
26 believe a motor vehicle has been or is currently being operated without insurance, the owner's
27 vehicle registration may be suspended or revoked. The registration may not be reinstated or a new
28 registration may not be issued unless evidence of insurance has been provided to the division and
29 any applicable reinstatement fees as prescribed by the division have been paid. These fees are in
30 addition to any other applicable fines, penalties, and fees.

31 **31-32.1-5. Creation of advisory council.** -- The division shall consult with
32 representatives of the insurance industry and private service providers in determining the
33 objectives, details, and deadlines related to the system.

34 **31-32.1-6. Contact person.** -- The division and its private service provider, if any, each

1 shall maintain a contact person for insurers during the establishment, implementation, and
2 operation of the system.

3 **31-32.1-7. Compliance.** -- Every property and casualty insurance company that is
4 licensed to issue motor vehicle insurance policies or is authorized to do business in Rhode Island
5 shall comply with this chapter for verification of evidence of vehicle insurance for every vehicle
6 insured by that company in Rhode Island as required by the rules and regulations of the
7 department.

8 **31-32.1-8. Civil and administrative immunity.** -- Insurers shall be immune from civil
9 and administrative liability for good faith efforts to comply with the terms of this chapter.

10 **31-32.1-9. Commercial exemption.** -- For the purposes of this chapter, commercial auto
11 coverage is defined as any coverage provided to an insured, regardless of number of vehicles or
12 entities covered, under a commercial coverage form and rated from a commercial manual
13 approved by the commissioner of insurance. This section shall not apply to vehicles insured under
14 commercial auto coverage; however, insurers of such vehicles may participate on a voluntary
15 basis.

16 **31-32.1-10. Fee.** -- The division shall have the authority to impose a fee of one dollar
17 (\$1.00) on each vehicle registration (new and renewal). All fees collected shall be deposited in a
18 separate account and shall be used solely for the purpose of the development, implementation,
19 maintenance and enhancement of the online evidence of insurance verification system.

20 **31-32.1-11. Report on effectiveness.** -- Not more than six (6) months after the online
21 insurance verification system has been in operation for two (2) years, the division, after
22 consultation with law enforcement, other state agencies, and the insurers, shall report to the
23 legislature as to the benefits and the costs of the program for the division, law enforcement, other
24 state agencies, the insurers and the public and the effectiveness of the program in reducing the
25 number of uninsured motor vehicles.

26 SECTION 2. The updated system shall be installed and fully operational by July 1, 2014,
27 following the appropriate testing/pilot period not less than nine (9) months until the successful
28 completion of the testing/pilot period, no enforcement action shall be based on the system.

29 This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES - ONLINE MOTOR VEHICLE
INSURANCE VERIFICATION

1 This act would create an online system to verify the existence of liability insurance on
2 every registered motor vehicle. The updated system would be installed and fully operational by
3 July 1, 2014, following the appropriate testing/pilot period not less than nine (9) months until the
4 successful completion of the testing/pilot period, no enforcement action would be based on the
5 system.

6 This act would take effect upon passage.

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