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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- SAFETY RESPONSIBILITY

Introduced By: Senators DiPalma, Archambault, Lombardi, Cool Rumsey, and Cote

Date Introduced: March 13, 2013

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

SECTION 1. Chapter 31-32 of the General Laws entitled "Proof of Financial Responsibility for the Future" is hereby amended by adding thereto the following section:

**31-32-2.1. Motor vehicle insurance reporting -- Penalty. -- (a) As used in this section, "commercial motor vehicle insurance coverage" means an insurance policy that:**

(1) Includes motor vehicle liability coverage, uninsured motorist coverage, underinsured motorist coverage, or personal injury coverage; and

(2) Is defined by the division of motor vehicles.

(b) In accordance with chapter 42-35, the "Administrative Procedures Act", the division of motor vehicles shall adopt rules defining commercial motor vehicle insurance coverage.

(c) Except as provided in subsections (d) and (e), each insurer that issues a policy that includes motor vehicle liability coverage, uninsured motorist coverage, underinsured motorist coverage, or personal injury coverage under this section shall, before the seventh (7<sup>th</sup>) and twenty-first (21<sup>st</sup>) day of each calendar month, provide to the division of motor vehicles designated agent selected in accordance with the Uninsured Motorist Identification Database Program, a record of each motor vehicle insurance policy in effect for vehicles registered or garaged in Rhode Island as of the previous submission that was issued by the insurer.

(d) Each insurer that issues commercial motor vehicles insurance coverage shall, before the seventh (7<sup>th</sup>) day of each calendar month, provide to the division of motor vehicles designated agent selected in accordance with the Uninsured Motorist Identification Database Program, a

record of each commercial motor vehicle insurance policy in effect for vehicles registered or garaged in Rhode Island as of the previous month that was issued by the insurer.

(e) An insurer that issues a policy that includes motor vehicle liability coverage, uninsured motorist coverage, underinsured motorist coverage, or personal injury coverage under this section is not required to provide a record of a motor vehicle insurance policy in effect for a vehicle to the division of motor vehicles designated agent if the policy covers a vehicle that is registered.

(f) This subsection does not preclude more frequent reporting.

(g)(1) A record provided by an insurer under subsection (d) shall include:

(i) The name, date of birth, and driver's license number, if the insured provides a driver's license number to the insurer, of each insured owner or operator, and the address of the named insured;

(ii) The make, year, and vehicle identification number of each insured vehicle; and

(iii) The policy number, effective date, and expiration date of each policy.

(2) A record provided by an insurer under subsection (e) shall include:

(i) The named insured;

(ii) The policy number, effective date, and expiration date of each policy; and

(iii) The following information, if available:

(A) The name, date of birth, and driver's license number of each insured owner or operator, and the address of the named insured; and

(B) The make, year, and vehicle identification number of each insured vehicle.

(h) Each insurer shall provide this information by an electronic means or by another form the division of motor vehicles designated agent agrees to accept.

(i) The division of motor vehicles may, following procedures adopted pursuant to chapter 42-35, "The Administrative Procedures Act", assess a fine against an insurer of up to two hundred fifty dollars (\$250) for each day the insurer fails to comply with this section.

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

#### CHAPTER 32.1

#### UNINSURED MOTORIST IDENTIFICATION DATABASE PROCEDURE

**31-32.1-1. Definitions.** -- As used in this chapter:

(1) "Account" means the Uninsured Motorist Identification Restricted Account created in section 31-32.1-5.

(2) "Database" means the Uninsured Motorist Identification Database created in section

1 31-32.1-2.

2 (3) "Designated agent" means the third party the division of motor vehicles contracts with

3 under section 31-32.1-2.

4 (4) "Division" means the division of motor vehicles.

5 (5) "Program" means the Uninsured Motorist Identification Database Program created in

6 section 31-32.1-2.

7 **31-32.1-2. Program creation -- Administration -- Selection of designated agent --**

8 **Duties -- Rulemaking -- Audits. --** (a) There is hereby created the Uninsured Motorist

9 Identification Database Program to:

10 (1) Establish an Uninsured Motorist Identification Database to verify compliance with

11 motor vehicle owner's or operator's security requirements under chapter 31-32 and other

12 provisions under this chapter;

13 (2) Assist in reducing the number of uninsured motor vehicles on the highways of the

14 state;

15 (3) Assist in increasing compliance with motor vehicle registration and sales and use tax

16 laws;

17 (4) Assist in protecting a financial institution's bona fide security interest in a motor

18 vehicle; and

19 (5) Assist in the identification and prevention of identity theft and other crimes.

20 (b) The program shall be administered by the division of motor vehicles with the

21 assistance of the designated agent.

22 (c)(1) The division of motor vehicles shall contract with a third party to establish and

23 maintain an Uninsured Motorist Identification Database for the purposes established under this

24 chapter.

25 (2) The contract may not obligate the department to pay the third party more money than

26 is available in the account.

27 (d)(1) The third party under contract under this section is the department's designated

28 agent, and shall develop and maintain a computer database from the information provided by:

29 (i) Automobile liability insurers under section 31-32-2.1; and

30 (ii) The division of motor vehicles.

31 (2)(i) The database shall be developed and maintained in accordance with guidelines

32 established by the division of motor vehicles so that state and local law enforcement agencies can

33 efficiently access the records of the database, including reports useful for the implementation of

34 the provisions of this chapter.

1           (ii)(A) The reports shall be in a form and contain information approved by the division of  
2 motor vehicles.

3           (B) The reports may be made available through the Internet or through other electronic  
4 medium, if the division of motor vehicles determines that sufficient security is provided to ensure  
5 compliance regarding limitations on disclosure of information in the database.

6           (e) With information provided by the division of motor vehicles, the designated agent  
7 shall, at least monthly for submissions under subsection 31-32-2.1(d) or at least twice a month for  
8 submissions under subsection 31-32-2.1(e):

9           (1) Update the database with the motor vehicle insurance information provided by the  
10 insurers in accordance with section 31-32-2.1; and

11           (2) Compare all current motor vehicle registrations against the database.

12           (f) The division shall provide the designated agent with the name, date of birth, address,  
13 and driver license number of all persons on the driver license database.

14           (g) In accordance with chapter 42-35, "The Administrative Procedures Act," the division  
15 of motor vehicles shall make rules and develop procedures in cooperation with the division of  
16 motor vehicles to use the database for the purpose of administering and enforcing this chapter.

17           (h)(1) The designated agent shall archive computer data files at least semi-annually for  
18 auditing purposes.

19           (2) The internal audit unit of the department of revenue shall audit the program at least  
20 every three (3) years.

21           (3) The audit under subdivision (h)(2) shall include verification of:

22           (i) Billings made by the designated agent; and

23           (ii) The accuracy of the designated agent's matching of vehicle registration with insurance  
24 data.

25           **31-32.1-3. Notice -- Proof -- Revocation of registration -- False statement -- Penalties**  
26 **-- Exemptions -- Sales tax enforcement. --** (a) If the comparison under section 31-32.1-2 shows  
27 that a motor vehicle is not insured for three (3) consecutive months, the division of motor  
28 vehicles shall direct that the designated agent provide notice to the owner of the motor vehicle  
29 that the owner has fifteen (15) days to provide:

30           (1) Proof of owner's or operator's security; or

31           (2) Proof of exemption from the owner's or operator's security requirements.

32           (b) If an owner of a motor vehicle fails to provide satisfactory proof of owner's or  
33 operator's security to the designated agent, the designated agent shall:

34           (1) Provide a second (2<sup>nd</sup>) notice to the owner of the motor vehicle that the owner now

1 has fifteen (15) days to provide:

2 (i) Proof of owner's or operator's security; or

3 (ii) Proof of exemption from the owner's or operator's security requirements;

4 (2) For each notice provided, indicate information relating to the owner's failure to

5 provide proof of owner's or operator's security in the database; and

6 (3) Provide this information to state and local law enforcement agencies as requested in

7 accordance with the provisions under section 31-32.1-4.

8 (c) The division of motor vehicles:

9 (1) Shall revoke the registration upon receiving notification pursuant to this section;

10 (2) Shall provide appropriate notices of the revocation, the legal consequences of

11 operating a vehicle with revoked registration and without owner's or operator's security and

12 instructions on how to get the registration reinstated. A registration that has been revoked under

13 this section shall not be reinstated and a new license or registration shall not be issued to the

14 holder of the revoked registration until the person:

15 (i) Pays to the division of motor vehicles an administrative reinstatement fee of one

16 hundred fifty dollars (\$150); and

17 (ii) Complies with the other requirements of this Act. The fee imposed by this section is

18 in addition to any other fees or penalties imposed by law; and

19 (3) May direct the designated agent to provide the notices under subsection (c).

20 (d) Any action by the division of motor vehicles to revoke the registration of a motor

21 vehicle under this section may be in addition to an action by a law enforcement agency to impose

22 the penalties.

23 (e)(1) A person may not provide a false or fraudulent statement to the division of motor

24 vehicles or designated agent.

25 (2) In addition to any other penalties, a person who violates paragraph (e)(i) is guilty of a

26 misdemeanor.

27 (f) This section does not affect other actions or penalties that may be taken or imposed for

28 violation of the owner's and operator's security requirements of this title.

29 (g) If a comparison under section 31-32.1-2 shows that a motor vehicle may not be in

30 compliance with motor vehicle registration or sales and use tax laws, the motor vehicle division

31 may direct that the designated agent provide notice to the owner of a motor vehicle that

32 information exists which indicates the possible violation.

33 **31-32.1-4. Disclosure of insurance information -- Penalty. --** (a) Information in the

34 database established under section 31-32.1-2 provided by a person to the designated agent is

1 considered to be the property of the person providing the information.

2 (b) The information may not be disclosed from the database, except as follows:

3 (1) For the purpose of investigating, litigating, or enforcing the owner's or operator's  
4 security requirement, the designated agent shall verify insurance information through the state  
5 computer network for a state or local government agency or court;

6 (2) For the purpose of investigating, litigating, or enforcing the owner's or operator's  
7 security requirement, the designated agent shall, upon request, issue to any state or local  
8 government agency or court a certificate documenting the insurance information, according to the  
9 database, of a specific individual or motor vehicle for the time period designated by the  
10 government agency;

11 (3) Upon request, the division of motor vehicles or its designated agent shall disclose  
12 whether or not a person is an insured individual and the insurance company name to:

13 (i) That individual or, if that individual is deceased, any interested person of that  
14 individual;

15 (ii) The parent or legal guardian of that individual if the individual is an unemancipated  
16 minor;

17 (iii) The legal guardian of that individual if the individual is legally incapacitated;

18 (iv) A person who has power of attorney from the insured individual;

19 (v) A person who submits a notarized release from the insured individual dated no more  
20 than ninety (90) days before the date the request is made; or

21 (vi) A person suffering loss or injury in a motor vehicle accident in which the insured  
22 individual is involved, but only as part of an accident report;

23 (4) For the purpose of investigating, enforcing, or prosecuting laws or issuing citations by  
24 state or local law enforcement agencies related to the:

25 (i) Registration and renewal of registration of a motor vehicle;

26 (ii) Purchase of a motor vehicle; and

27 (iii) Owner's or operator's security requirements.

28 (5) Upon request of a peace officer acting in an official capacity under the provisions of  
29 this chapter, the division of motor vehicles or the designated agent shall, upon request, disclose  
30 relevant information for investigation, enforcement, or prosecution;

31 (6) For the purpose of the state auditor, the legislative auditor general, or other auditor of  
32 the state conducting audits of the program;

33 (7) Upon request of a financial institution for the purpose of protecting the financial  
34 institution's bona fide security interest in a motor vehicle; and

1           (8) Upon the request of a state or local law enforcement agency for the purpose of  
2           investigating and prosecuting identity theft and other crimes.

3           (c)(1) The division of motor vehicles may allow the designated agent to prepare and  
4           deliver upon request, a report on the insurance information of a person or motor vehicle in  
5           accordance with this section.

6           (2) The report may be in the form of:

7           (i) A certified copy that is considered admissible in any court proceeding in the same  
8           manner as the original; or

9           (ii) Information accessible through the Internet or through other electronic medium if the  
10          department determines that sufficient security is provided to ensure compliance with this section.

11          (3) The department may allow the designated agent to charge a fee established by the  
12          division of motor vehicles for each:

13          (i) Document authenticated, including each certified copy;

14          (ii) Record accessed by the Internet or by other electronic medium; and

15          (iii) Record provided to a financial institution.

16          (d) A person who knowingly releases or discloses information from the database for a  
17          purpose other than those authorized in this section or to a person who is not entitled to it is guilty  
18          of a felony.

19          (e) An insurer is not liable to any person for complying with section 31-32-2.1 by  
20          providing information to the designated agent.

21          (f) Neither the state nor the division of motor vehicles' designated agent is liable to any  
22          person for gathering, managing, or using the information in the database as provided in section  
23          31-32-2.1 and this chapter.

24          SECTION 3. This act shall take effect on October 1, 2013.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO MOTOR AND OTHER VEHICLES -- SAFETY RESPONSIBILITY

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1           This act would create a comprehensive statutory program to verify compliance with  
2 motor vehicle owners' and operators' mandatory liability insurance requirements.

3           This act would take effect on October 1, 2013.

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