

1 ENGROSSED SENATE  
2 BILL NO. 1169

By: Scott of the Senate

3 and

4 Mulready of the House

5  
6 [ motor vehicle insurance - certain notice -  
7 Department of Public Safety - citations - dismissal -  
8 employee to utilize certain system - codification -  
9 effective date ]

10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. NEW LAW A new section of law to be codified  
12 in the Oklahoma Statutes as Section 1250.21 of Title 36, unless  
13 there is created a duplication in numbering, reads as follows:

14 A. Every insurance company doing business in this state that  
15 issues compulsory liability insurance to individuals pursuant to  
16 Section 7-600 et seq. of Title 47 of the Oklahoma Statutes, shall,  
17 pursuant to this section, notify electronically the Department of  
18 Public Safety of every person who fails to make payment on a  
19 liability insurance policy that results in a cancellation of the  
20 policy.

21 B. The notification by the insurer required pursuant to  
22 subsection A of this section, shall be transmitted only when thirty  
23 (30) days shall have passed from the time the insurance policy  
24 payment was due and the policy was cancelled without a renewal

1 occurring within those thirty (30) days. The insured shall also  
2 provide a statement to the Department of Public Safety indicating  
3 that a policy was allowed to lapse because a different policy was  
4 acquired by an insured.

5 C. Upon receipt of the notice by the Department of Public  
6 Safety, the Department is authorized, pursuant to Section 7-600.2 of  
7 Title 47 of the Oklahoma Statutes, to issue a citation to the person  
8 in violation of maintaining insurance. The citation shall be issued  
9 pursuant to Section 7-606 of Title 47 of the Oklahoma Statutes. Any  
10 person producing proof pursuant to subsection C of Section 7-606 of  
11 Title 47 of the Oklahoma Statutes or proof that cancellation was a  
12 result of the person not having driving privileges may have the  
13 citation dismissed.

14 SECTION 2. AMENDATORY 47 O.S. 2011, Section 7-600.2, as  
15 last amended by Section 1, Chapter 74, O.S.L. 2017 (47 O.S. Supp.  
16 2017, Section 7-600.2), is amended to read as follows:

17 Section 7-600.2. A. The Department of Public Safety shall  
18 transfer to the Oklahoma Insurance Department by January 1, 2018,  
19 the online verification system for motor vehicle liability policies  
20 as required by the Compulsory Insurance Law, subject to the  
21 following:

22 1. The Oklahoma Tax Commission and the Department of Public  
23 Safety shall cooperate with the Insurance Department in the ongoing  
24 improvement and maintenance of the verification system;

1        2. The verification system shall be accessible through the  
2 Internet, World Wide Web or a similar proprietary or common carrier  
3 electronic system by authorized personnel of the Department of  
4 Public Safety, the Tax Commission, the district attorneys, the  
5 courts, law enforcement personnel, and any other entities authorized  
6 by the Insurance Department;

7        3. The verification system shall provide for direct inquiry and  
8 response between the Insurance Department and insurance carriers, or  
9 such other method of inquiry and response as agreed to by the  
10 Insurance Department and individual insurance carriers, and direct  
11 access to insurers' records by personnel authorized by the Insurance  
12 Department;

13        4. The verification system shall be available twenty-four (24)  
14 hours a day to verify the insurance status of any vehicle registered  
15 in this state through the vehicle's identification number, policy  
16 number, registered owner's name or other identifying characteristic  
17 or marker as prescribed by the Insurance Department in its rules;

18        5. The Insurance Department may contract with a private vendor  
19 to assist in establishing and maintaining the verification system;

20        6. The verification system shall include appropriate  
21 provisions, consistent with industry standards, to secure its data  
22 against unauthorized access and to maintain a record of all  
23 information requests;  
24

1        7. Information contained in the verification system shall not  
2 be considered a public record;

3        8. Any law enforcement officer, to establish compliance with  
4 the Compulsory Insurance Law during a traffic stop or accident  
5 investigation, shall access information from the online verification  
6 system to verify the current validity of the policy described on a  
7 security verification form produced by the operator of each motor  
8 vehicle during the traffic stop or accident investigation. If  
9 compliance is not confirmed for the policy described on the security  
10 verification form produced by the operator and a subsequent  
11 investigation conducted by the officer verifies that the operator is  
12 not in compliance, the officer may issue a citation to the operator  
13 for failure to comply with the Compulsory Insurance Law;

14        9. If the operator fails to produce the security verification  
15 form during a traffic stop or accident investigation, the requesting  
16 law enforcement officer shall access information from the online  
17 verification system through the vehicle's identification number,  
18 registered owner's name, license plate number or other identifying  
19 characteristic or marker to verify valid and current security and  
20 establish compliance with the Compulsory Insurance Law and shall not  
21 issue a citation if valid and current security is established. If  
22 the operator fails to produce the security verification form and  
23 compliance is not confirmed through the online verification system,  
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1 the officer may issue a citation to the operator for failure to  
2 comply with the Compulsory Insurance Law;

3 10. Establishing compliance with the Compulsory Insurance Law  
4 through the online verification system shall not be the primary  
5 cause for law enforcement to stop a motor vehicle; ~~and~~

6 11. An employee designated by the Department to establish  
7 compliance with the Compulsory Insurance Law as specified by Section  
8 1 of this act; and

9 12. All information exchanged between the Insurance Department  
10 and insurance companies, any database created, and all reports,  
11 responses, or other information generated for the purposes of the  
12 verification system shall not be subject to the Oklahoma Open  
13 Records Act.

14 B. This section shall not apply to a policy issued pursuant to  
15 paragraph 3 of subsection A of Section 7-601.1 of this title or  
16 paragraph 3 of subsection A of Section 7-602 of this title to insure  
17 a commercial motor vehicle or to insure any vehicle under a  
18 commercial policy that provides commercial auto coverage as defined  
19 in Section 7-600 of this title.

20 C. As a condition for writing motor vehicle liability policies  
21 in this state, insurance carriers shall cooperate with the Insurance  
22 Department in establishing and maintaining the insurance  
23 verification system and shall provide access to motor vehicle  
24 insurance policy status information as provided in the rules of the

1 Insurance Department. The Insurance Commissioner may, pursuant to  
2 Title 36 of the Oklahoma Statutes, initiate an administrative  
3 proceeding against any insurance company found by the Commissioner  
4 to not be in compliance with the provisions of this section or any  
5 rules promulgated pursuant to this section.

6 SECTION 3. This act shall become effective November 1, 2018.

7 Passed the Senate the 14th day of March, 2018.

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Presiding Officer of the Senate

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11 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
12 2018.

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Presiding Officer of the House  
of Representatives

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