

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

SENATE BILL 115

By: Sharp

AS INTRODUCED

An Act relating to online verification of motor vehicle insurance; amending 47 O.S. 2011, Section 7-600.2, as amended by Section 1, Chapter 88, O.S.L. 2016 (47 O.S. Supp. 2016, Section 7-600.2), which relates to rules for the online verification system; transferring certain responsibilities and duties for the online verification system from the Department of Public Safety to the Insurance Department; adding the district attorneys to list of entities authorized to access verification system; authorizing the Insurance Commissioner to initiate administrative proceedings in event of violation; amending Section 1, Chapter 365, O.S.L. 2016 (47 O.S. Supp. 2016, Section 7-606.1), which relates to uninsured vehicles; transferring responsibility for certain acts from the Department of Public Safety to the Insurance Department; amending 47 O.S. 2011, Section 7-602, as amended by Section 1, Chapter 146, O.S.L. 2015 (47 O.S. Supp. 2016, Section 7-602), which relates to existence of security on the online verification system; adding certain persons to list of authorized sources of insurance verification; authorizing electronic delivery of proof of security verification; and providing an effective date.

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

SECTION 1. AMENDATORY 47 O.S. 2011, Section 7-600.2, as amended by Section 1, Chapter 88, O.S.L. 2016 (47 O.S. Supp. 2016, Section 7-600.2), is amended to read as follows:

1       Section 7-600.2. A. The Department of Public Safety shall  
2 ~~promulgate and adopt, pursuant to the Administrative Procedures Act,~~  
3 ~~rules for an~~ transfer to the Oklahoma Insurance Department by  
4 January 1, 2018, the online verification system for motor vehicle  
5 liability policies as required by the Compulsory Insurance Law,  
6 subject to the following:

7       1. The Oklahoma Tax Commission and the ~~Insurance~~ Department of  
8 Public Safety shall cooperate with the Insurance Department ~~of~~  
9 ~~Public Safety~~ in the ~~development~~ ongoing improvement and maintenance  
10 of the verification system;

11       2. The verification system shall be accessible through the  
12 Internet, World Wide Web or a similar proprietary or common carrier  
13 electronic system by authorized personnel of the Department of  
14 Public Safety, the Tax Commission, the district attorneys, the  
15 courts, law enforcement personnel, and any other entities authorized  
16 by the Insurance Department;

17       3. The verification system shall provide for direct inquiry and  
18 response between the Insurance Department and insurance carriers, or  
19 such other method of inquiry and response as agreed to by the  
20 Insurance Department and individual insurance carriers, and direct  
21 access to insurers' records by personnel authorized by the Insurance  
22 Department;

23       4. The verification system shall be available twenty-four (24)  
24 hours a day to verify the insurance status of any vehicle registered

1 in this state through the vehicle's identification number, policy  
2 number, registered owner's name or other identifying characteristic  
3 or marker as prescribed by the Insurance Department in its rules;

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

6 6. The verification system shall include appropriate  
7 provisions, consistent with industry standards, to secure its data  
8 against unauthorized access and to maintain a record of all  
9 information requests;

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

12 8. Any law enforcement officer, to establish compliance with  
13 the Compulsory Insurance Law during a traffic stop or accident  
14 investigation, shall access information from the online verification  
15 system to verify the current validity of the policy described on a  
16 security verification form produced by the operator of each motor  
17 vehicle during the traffic stop or accident investigation. If  
18 compliance is not confirmed for the policy described on the security  
19 verification form produced by the operator and a subsequent  
20 investigation conducted by the officer verifies that the operator is  
21 not in compliance, the officer may issue a citation to the operator  
22 for failure to comply with the Compulsory Insurance Law;

23 9. If the operator fails to produce the security verification  
24 form during a traffic stop or accident investigation, the requesting

1 law enforcement officer shall access information from the online  
2 verification system through the vehicle's identification number,  
3 registered owner's name or other identifying characteristic or  
4 marker to verify valid and current security and establish compliance  
5 with the Compulsory Insurance Law and shall not issue a citation if  
6 valid and current security is established. If the operator fails to  
7 produce the security verification form and compliance is not  
8 confirmed through the online verification system, the officer may  
9 issue a citation to the operator for failure to comply with the  
10 Compulsory Insurance Law;

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

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

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

1 C. As a condition for writing motor vehicle liability policies  
2 in this state, insurance carriers shall cooperate with the Insurance  
3 Department in establishing and maintaining the insurance  
4 verification system and shall provide access to motor vehicle  
5 insurance policy status information as provided in the rules of the  
6 Insurance Department. The Insurance Commissioner may, pursuant to  
7 Title 36 of the Oklahoma Statutes, initiate an administrative  
8 proceeding against any insurance company found by the Commissioner  
9 to not be in compliance with the provisions of this section or any  
10 rules promulgated pursuant to this section.

11 SECTION 2. AMENDATORY Section 1, Chapter 365, O.S.L.  
12 2016 (47 O.S. Supp. 2016, Section 7-606.1), is amended to read as  
13 follows:

14 Section 7-606.1. A. There is hereby created the Uninsured  
15 Vehicle Enforcement Program.

16 B. The Uninsured Vehicle Enforcement Program shall be  
17 implemented and administered by the district attorneys of the State  
18 of Oklahoma within their respective districts or at the District  
19 Attorneys Council. To implement this program, the use of technology  
20 and software to aid in detection of offenses involving uninsured  
21 motorists is necessary and district attorneys and participating law  
22 enforcement agencies shall have the authority to enter into  
23 contractual agreements with automated license plate reader providers  
24 to provide necessary technology, equipment and maintenance thereof.

1 C. 1. Participating law enforcement agencies may use automatic  
2 license plate reader systems utilizing individual automatic license  
3 plate reader system units to access and collect data for the  
4 investigation, detection, analysis or enforcement of Oklahoma's  
5 Compulsory Insurance Law.

6 2. To accomplish the purposes of the program, law enforcement  
7 agencies shall be allowed to access the online verification system  
8 for motor vehicle liability policies to establish compliance with  
9 the Compulsory Insurance Law as provided in Section 7-600.2 of Title  
10 47 of the Oklahoma Statutes.

11 3. Access to the system shall be restricted to authorized law  
12 enforcement agency users in the program; provided, any entity with  
13 which a contract is executed to provide necessary technology,  
14 equipment and maintenance for purposes of the program shall be  
15 authorized, as necessary, to collaborate for required updates and  
16 maintenance of their software.

17 4. Any data collected and stored by law enforcement pursuant to  
18 the program shall be considered evidence if noncompliance with the  
19 Compulsory Insurance Law is confirmed.

20 D. A law enforcement officer may verify by sworn affidavit that  
21 a photograph generated by an automatic license plate reader system  
22 unit identifies a particular vehicle operating on or having been  
23 operated on a public road, highway, street, turnpike, other public  
24 place or upon any private road, street, alley or lane which provides

1 access to one or more single-family or multifamily dwellings and  
2 that the online verification system shows that the vehicle was  
3 uninsured at the time such vehicle was being operated. The  
4 affidavit shall constitute probable cause for prosecution under  
5 applicable state law.

6 E. Data collected or retained through the use of an automated  
7 license plate reader system pursuant to the program shall be  
8 retained by a law enforcement agency when the data is being used as  
9 evidence of a violation of the Compulsory Insurance Law; provided,  
10 when the data is no longer needed as evidence of a violation, the  
11 data shall be deleted or destroyed.

12 F. Data collected or retained through the use of an automated  
13 license plate reader system shall not be used by any individual or  
14 agency for purposes other than enforcement of the Compulsory  
15 Insurance Law or as otherwise permitted by law.

16 1. No law enforcement agency or other entity authorized to  
17 operate under this program shall sell captured license plate data  
18 for any purpose or share it for any purpose not expressly authorized  
19 by this section.

20 2. Any and all data collected, retained or shared through the  
21 use of an automated license plate reader system, except data  
22 retained as evidence of a violation of the Compulsory Insurance Law,  
23 shall be exempt from the Oklahoma Open Records Act.  
24

1 G. The provisions of the program shall not apply to, or be  
2 construed or interpreted in a manner to prohibit the use of, any  
3 other automated license plate reader system by an individual or  
4 private legal entity for purposes not otherwise prohibited by law.

5 H. The provisions of the program shall not be implemented until  
6 such time that the Insurance Department ~~of Public Safety~~ verifies  
7 that the following conditions have been met:

8 1. At least Ninety-Five Percent (95%) of the personal lines  
9 auto insurance market in the state participates in the Oklahoma  
10 Compulsory Insurance Verification System using a real-time web  
11 portal system; and

12 2. The Oklahoma Compulsory Insurance Verification System is  
13 updated in such a way to allow for the provisions of the program to  
14 be implemented without interrupting or impeding any other lawful  
15 uses of the system.

16 I. Following the implementation of the program and every year  
17 thereafter, the District Attorneys Council shall publish an annual  
18 report for the previous fiscal year of the Uninsured Vehicle  
19 Enforcement Program by September 1. An electronic copy of the  
20 report shall be distributed to the President Pro Tempore of the  
21 Senate and the Speaker of the House of Representatives and the  
22 chairs of the House and Senate Appropriations Committees. The  
23 report shall comprise an evaluation of program operations, and may  
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1 include any information and recommendations for improvement of the  
2 program deemed appropriate by the entity submitting the report.

3 J. For purposes of this section:

4 1. "Automatic license plate reader system" means a system of  
5 one or more mobile or law-enforcement-controlled cameras combined  
6 with computer algorithms to convert images of registration plates  
7 into computer-readable data;

8 2. "Law enforcement agency" includes the district attorney's  
9 office of any county, the Department of Public Safety, the sheriff's  
10 office of any county, and the chiefs of police of any city or town  
11 having a population of more than one hundred thousand (100,000)  
12 residents; and

13 3. "Program" means the Uninsured Vehicle Enforcement Program.

14 SECTION 3. AMENDATORY 47 O.S. 2011, Section 7-602, as  
15 amended by Section 1, Chapter 146, O.S.L. 2015 (47 O.S. Supp. 2016,  
16 Section 7-602), is amended to read as follows:

17 Section 7-602. A. 1. The owner of a motor vehicle registered  
18 in this state shall carry in the vehicle at all times a current  
19 owner's security verification form listing the vehicle or an  
20 equivalent form which has been issued by the Department of Public  
21 Safety, and the operator of the vehicle shall produce the form upon  
22 request for inspection by any law enforcement officer or  
23 representative of the Department and, in case of an accident, the  
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1 form shall be shown upon request to any person affected by the  
2 accident.

- 3       2.   a.     Every person registering a motor vehicle in this  
4               state, except a motor vehicle which is not being used  
5               upon the public highways or public streets, or a  
6               manufactured home while on a permanent foundation, at  
7               the time of registration of the vehicle, shall certify  
8               the existence of security with respect to the vehicle  
9               by providing to a motor license agent or other  
10              registering agency necessary information from the  
11              current owner's security verification in a manner that  
12              allows verification of coverage through the online  
13              verification system. The information shall include  
14              the name or number issued by the National Association  
15              of Insurance Commissioners of the current insurance  
16              carrier authorized to do business in this state and  
17              the policy number applicable to the vehicle being  
18              registered. A motor license agent or other  
19              registering agency shall require the submission of the  
20              form or other verifying information prior to  
21              processing an application for registration or renewal.
- 22       b.     Every motor license agent or other registering agency  
23               shall use the online verification system to certify  
24               the existence of security with respect to the vehicle

1 from an insurance carrier authorized to do business in  
2 this state unless the online verification system is  
3 not online or the required information is otherwise  
4 not available. In such a case, the license agent or  
5 other registering agency may accept verification as  
6 provided in subparagraph a of this paragraph or from a  
7 licensed insurance producer or customer service  
8 representative to certify the existence of the  
9 required insurance prior to processing any application  
10 for motor vehicle registration. Every motor license  
11 agent or other registering agent shall allow  
12 submission of proof from a licensed insurance producer  
13 or customer service representative pursuant to this  
14 subparagraph via electronic mail at no additional cost  
15 to the person registering the vehicle.

16 3. Fleet vehicles operating under the authority of the  
17 Corporation Commission, the Federal Highway Administration, or  
18 vehicles registered pursuant to the provisions of Section 1120 of  
19 this title, shall certify the existence of security with respect to  
20 each vehicle at the time of registration by submitting one of the  
21 following:

- 22 a. a current owner's security verification form verifying  
23 the existence of security as required by the  
24 Compulsory Insurance Law, or

1           b.    a permit number verified by the Corporation Commission  
2                indicating the existence of a current liability  
3                insurance policy.  Provided, in the event the  
4                Corporation Commission is unable to verify the  
5                existence of insurance as provided herein in a prompt  
6                and timely fashion, the Corporation Commission may  
7                accept a current single state registration form issued  
8                by the Corporation Commission or any other regulating  
9                entity with which the Corporation Commission has  
10              entered into a reciprocal compact or agreement  
11              regarding the regulation of motor vehicles engaged in  
12              interstate or foreign commerce upon and over the  
13              public highways.

14           4.  The following shall not be required to carry an owner's or  
15           operator's security verification form or an equivalent form from the  
16           Department of Public Safety during operation of the vehicle and  
17           shall not be required to surrender a security verification form for  
18           vehicle registration purposes:

19           a.    any vehicle owned or leased by the federal or state  
20                government, or any agency or political subdivision  
21                thereof,

22           b.    any vehicle bearing the name, symbol, or logo of a  
23                business, corporation or utility on the exterior and  
24                which is in compliance with the provisions of the

1 Compulsory Insurance Law according to records of the  
2 Corporation Commission which reflect a deposit or  
3 fleet policy,

4 c. fleet vehicles maintaining current vehicle liability  
5 insurance as required by the Corporation Commission or  
6 any other regulating entity,

7 d. any licensed taxicab, and

8 e. any vehicle owned by a licensed used motor vehicle  
9 dealer.

10 5. Any person who knowingly issues or promulgates false or  
11 fraudulent information in connection with either an owner's or  
12 operator's security verification form or an equivalent form which  
13 has been issued by the Department of Public Safety shall be guilty  
14 of a misdemeanor and upon conviction shall be subject to a fine not  
15 exceeding Five Hundred Dollars (\$500.00), or imprisonment for not  
16 more than six (6) months, or by both such fine and imprisonment.

17 B. Each motor license agent is authorized to charge a fee of  
18 One Dollar and fifty cents (\$1.50) to each person to whom the agent  
19 issues a certificate of registration and who is required to  
20 surrender proof of financial responsibility, or for whom the motor  
21 license agent certifies the existence of financial responsibility  
22 through an authorized online certification system, pursuant to the  
23 provisions of the Compulsory Insurance Law. The fee may be retained  
24 by the agent as compensation for services in processing the proof of

1 financial responsibility and for processing the driver license  
2 information, insurance verification information, and other  
3 additional information furnished to the agent pursuant to Section  
4 1112 of this title, if such agent does not receive the maximum  
5 compensation as authorized by law.

6 SECTION 4. This act shall become effective November 1, 2017.

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