

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 SENATE BILL 1169

By: Scott

6 AS INTRODUCED

7 An Act relating to motor vehicle insurance; requiring
8 insurance companies to provide certain notice to the
Department of Public Safety; specifying requirements
9 for notice; authorizing the Department of Public
Safety to issue certain citations; allowing dismissal
10 upon certain proof; amending 47 O.S. 2011, Section 7-
600.2, as last amended by Section 1, Chapter 74,
O.S.L. 2017 (47 O.S. Supp. 2017, Section 7-600.2),
11 which relates to online verification system; adding
certain employee as authorized to utilize certain
12 system; providing for codification; and providing an
effective date.

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

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

20 A. Every insurance company doing business in this state that
21 issues compulsory liability insurance to individuals pursuant to
22 Section 7-600 et seq. of Title 47 of the Oklahoma Statutes, shall,
23 pursuant to this section, notify electronically the Department of
24 Public Safety of every person who fails to make payment on a

1 liability insurance policy that results in a cancellation of the
2 policy.

3 B. The notification by the insurer required pursuant to
4 subsection A of this section, shall be transmitted only when thirty
5 (30) days shall have passed from the time the insurance policy
6 payment was due and the policy was cancelled without a renewal
7 occurring within those thirty (30) days. The insured shall also
8 provide a statement to the Department of Public Safety indicating
9 that a policy was allowed to lapse because a different policy was
10 acquired by an insured.

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

20 SECTION 2. AMENDATORY 47 O.S. 2011, Section 7-600.2, as
21 last amended by Section 1, Chapter 74, O.S.L. 2017 (47 O.S. Supp.
22 2017, Section 7-600.2), is amended to read as follows:

23 Section 7-600.2. A. The Department of Public Safety shall
24 transfer to the Oklahoma Insurance Department by January 1, 2018,

1 the online verification system for motor vehicle liability policies
2 as required by the Compulsory Insurance Law, subject to the
3 following:

4 1. The Oklahoma Tax Commission and the Department of Public
5 Safety shall cooperate with the Insurance Department in the ongoing
6 improvement and maintenance of the verification system;

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

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

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

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

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

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

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

20 9. If the operator fails to produce the security verification
21 form during a traffic stop or accident investigation, the requesting
22 law enforcement officer shall access information from the online
23 verification system through the vehicle's identification number,
24 registered owner's name, license plate number or other identifying

1 characteristic or marker to verify valid and current security and
2 establish compliance with the Compulsory Insurance Law and shall not
3 issue a citation if valid and current security is established. If
4 the operator fails to produce the security verification form and
5 compliance is not confirmed through the online verification system,
6 the officer may issue a citation to the operator for failure to
7 comply with the Compulsory Insurance Law;

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

11 11. An employee designated by the Department to establish
12 compliance with the Compulsory Insurance Law as specified by Section
13 1 of this act; and

14 12. 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 3. This act shall become effective November 1, 2018.

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