

SECOND REGULAR SESSION

HOUSE BILL NO. 2411

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES COLONA (Sponsor), DOUGHERTY,
HUMMEL AND McDONALD (Co-sponsors).

5450L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 303.400, 303.403, 303.406, 303.409, 303.412, and 303.415, RSMo, and to enact in lieu thereof five new sections relating to the motorist insurance identification database act, with a penalty provision.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 303.400, 303.403, 303.406, 303.409, 303.412, and 303.415, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 303.400, 303.403, 303.406, 303.409, and 303.412, to read as follows:

303.400. The provisions of sections 303.400 to [303.415] **303.412** shall be known as the "Motorist Insurance Identification Database Act".

303.403. As used in sections 303.400 to [303.415] **303.412**, the following terms mean:

- (1) "Database", the motorist insurance identification database;
- (2) "Department", the department of revenue;
- (3) "Designated agent", the party with which the department contracts to implement the motorist insurance identification database;
- (4) "Program", the motorist insurance identification database program.

303.406. 1. The "Motorist Insurance Identification Database" is hereby created for the purpose of establishing a database to use to verify compliance with the motor vehicle financial responsibility requirements of this chapter. The program shall be administered by the department and shall receive funding from the "Motorist Insurance Identification Database Fund", which is hereby created in the state treasury. Effective July 1, [2002, the state treasurer shall credit to and deposit in the motorist insurance identification database fund six percent of the net general

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

7 revenue portion received from collections of the insurance premiums tax levied and collected
8 pursuant to sections 148.310 to 148.461, RSMo] **2011, the department shall impose an annual**
9 **fee of one dollar on each vehicle registration, new and renewal. All fees collected shall be**
10 **deposited in the motorist insurance database fund and shall be used solely for operating**
11 **the program.**

12 2. To implement the program, the department [may] **shall** by July 1, [2002] **2011,**
13 contract with a designated agent which shall monitor compliance with the motor vehicle financial
14 responsibility requirements of this chapter, except that the program shall not be implemented to
15 notify owners of registered motor vehicles until the department certifies that the accuracy rate
16 of the program exceeds ninety-five percent in correctly identifying owners of registered motor
17 vehicles as having maintained or failed to maintain financial responsibility. [After the
18 department has entered into a contract with a designated agent, the department shall convene a
19 working group for the purpose of facilitating the implementation of the program.]

20 3. The designated agent, using its own computer network, shall, no later than December
21 31, [2002] **2011,** develop, deliver and maintain a computer database with information provided
22 by:

23 (1) Insurers, pursuant to sections 303.400 to [303.415] **303.412;** except that, any person
24 who qualifies as self-insured pursuant to this chapter, or provides proof of insurance to the
25 director pursuant to the provisions of section 303.160, shall not be required to provide
26 information to the designated agent, but the state shall supply these records to the designated
27 agent for inclusion in the database; and

28 (2) The department, which shall provide the designated agent with the name, date of
29 birth and address of all persons in its computer database, and the make, year and vehicle
30 identification number of all registered motor vehicles.

31 4. The department shall establish guidelines for the designated agent's development of
32 the computer database so the database can be easily accessed by state and local law enforcement
33 agencies within procedures already established[, and shall not require additional computer
34 keystrokes or other additional procedures by dispatch or law enforcement personnel]. Once the
35 database is operational, the designated agent shall, at least monthly, update the database with
36 information provided by insurers and the department, and compare then-current motor vehicle
37 registrations against the database.

38 5. Information provided to the designated agent by insurers and the department for
39 inclusion in the database established pursuant to this section is the property of the insurer or the
40 department, as the case may be, and is not subject to disclosure pursuant to chapter 610, RSMo.
41 Such information may not be disclosed except as follows:

42 (1) The designated agent shall verify a person's insurance coverage upon request by any
43 state or local government agency investigating, litigating or enforcing such person's compliance
44 with the motor vehicle financial responsibility requirements of this chapter;

45 (2) The department shall disclose whether an individual is maintaining the required
46 insurance coverage upon request of the following individuals and agencies only:

47 (a) The individual;

48 (b) The parent or legal guardian of an individual if the individual is an unemancipated
49 minor;

50 (c) The legal guardian of the individual if the individual is legally incapacitated;

51 (d) Any person who has power of attorney from the individual;

52 (e) Any person who submits a notarized release from the individual that is dated no more
53 than ninety days before the request is made;

54 (f) Any person claiming loss or injury in a motor vehicle accident in which the individual
55 is involved;

56 (g) The office of the state auditor, for the purpose of conducting any audit authorized by
57 law.

58 6. Any person or agency who knowingly discloses information from the database for any
59 purpose, or to a person, other than those authorized in this section is guilty of a class A
60 misdemeanor. The state shall not be liable to any person for gathering, managing or using
61 information in the database pursuant to this section. The designated agent shall not be liable to
62 any person for performing its duties pursuant to this section unless and to the extent such agent
63 commits a willful and wanton act or omission or is negligent. The designated agent shall be
64 liable to any insurer damaged by the designated agent's negligent failure to protect the
65 confidentiality of the information and data disclosed by the insurer to the designated agent. The
66 designated agent shall provide to this state an errors and omissions insurance policy covering
67 such agent in an appropriate amount. No insurer shall be liable to any person for performing its
68 duties pursuant to this section unless and to the extent the insurer commits a willful and wanton
69 act of omission.

70 7. The department shall review the operation and performance of the motorist insurance
71 identification database program to determine whether the number of uninsured motorists has
72 declined during the first three years following implementation and shall submit a report of its
73 findings to the general assembly no later than January fifteenth of the year following the third
74 complete year of implementation. The department shall make copies of its report available to
75 each member of the general assembly.

76 8. This section shall not supersede other actions or penalties that may be taken or
77 imposed for violation of the motor vehicle financial responsibility requirements of this chapter.

78 9. [The working group as provided for in subsection 2 of this section shall consist of
79 representatives from the insurance industry, department of insurance, financial institutions and
80 professional registration, department of public safety and the department of revenue. The
81 director of revenue, after consultation with the working group, shall promulgate any rules and
82 regulations necessary to administer and enforce this section. No rule or portion of a rule
83 promulgated pursuant to the authority of this section shall become effective unless it has been
84 promulgated pursuant to the provisions of chapter 536, RSMo.] **Any rule or portion of a rule,
85 as that term is defined in section 536.010, that is created under the authority delegated in
86 this section shall become effective only if it complies with and is subject to all of the
87 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536
88 are nonseverable and if any of the powers vested with the general assembly pursuant to
89 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
90 subsequently held unconstitutional, then the grant of rulemaking authority and any rule
91 proposed or adopted after August 28, 2010, shall be invalid and void.**

303.409. 1. If the motorist insurance identification database indicates the owner of a
2 registered motor vehicle has, regardless of the owner's operation of such motor vehicle, failed
3 to maintain the financial responsibility required in section 303.025 for [two] **three** consecutive
4 months, the designated agent shall on behalf of the director inform the owner that the director
5 will suspend the owner's vehicle registration if the owner does not present proof of insurance as
6 prescribed by the director within thirty days from the date of mailing. The designated agent shall
7 not select owners of fleet or rental vehicles or vehicles that are insured pursuant to a commercial
8 line policy for notification to determine motor vehicle liability coverage. The director may
9 prescribe rules and regulations necessary for the implementation of this subsection. The notice
10 issued to the vehicle owner by the designated agent shall be sent to the last known address shown
11 on the department's records. The notice is deemed received three days after mailing. The notice
12 of suspension shall clearly specify the reason and statutory grounds for the suspension and the
13 effective date of the suspension, the right of the person to request a hearing, the procedure for
14 requesting a hearing and the date by which that request for a hearing must be made. The
15 suspension shall become effective thirty days after the subject person is deemed to have received
16 the notice of suspension by first class mail as provided in section 303.041. If the request for a
17 hearing is received prior to the effective date of the suspension, the effective date of the
18 suspension will be stayed until a final order is issued following the hearing; however, any delay
19 in the hearing which is caused or requested by the subject person or counsel representing that
20 person without good cause shown shall not result in a stay of the suspension during the period
21 of delay.

22 2. Neither the fact that, subsequent to the date of verification, the owner acquired the
23 required liability insurance policy nor the fact that the owner terminated ownership of the motor
24 vehicle shall have any bearing upon the director's decision to suspend. The suspension shall
25 remain in force until termination despite the renewal of registration or acquisition of a new
26 registration for the motor vehicle. The suspension shall also apply to any motor vehicle to which
27 the owner transfers the registration.

28 3. Upon receipt of notification from the designated agent, the director shall suspend the
29 owner's vehicle registration effective immediately. The suspension period shall be as follows:

30 (1) If the person's record shows no prior violation, the director shall terminate the
31 suspension upon payment of a reinstatement fee of [twenty] **one hundred** dollars and submission
32 of proof of insurance, as prescribed by the director;

33 (2) If the person's record shows one prior violation for failure to maintain financial
34 responsibility within the immediately preceding two years, the director shall terminate the
35 suspension ninety days after its effective date upon payment of a reinstatement fee of two
36 hundred dollars and submission of proof of insurance, as prescribed by the director;

37 (3) If the person's record shows two or more prior violations for failure to maintain
38 financial responsibility, the period of suspension shall terminate one year after its effective date
39 upon payment of a reinstatement fee of four hundred dollars and submission of proof of
40 insurance, as prescribed by the director.

41 4. In the event that proof of insurance as prescribed by the director has not been filed
42 with the department of revenue in accordance with this chapter prior to the end of the period of
43 suspension provided in this section, such period of suspension shall be extended until such proof
44 of insurance has been filed. In no event shall filing proof of insurance reduce any period of
45 suspension. If proof of insurance is not maintained during the three-year period following the
46 reinstatement or termination of the suspension, the director shall again suspend the license and
47 motor vehicle registration until proof of insurance is filed or the three-year period has elapsed.
48 In no event shall filing proof of insurance reduce any period of suspension.

49 5. Notwithstanding the provisions of subsection 1 of this section, the director shall not
50 suspend the registration or registrations of any owner who establishes to the satisfaction of the
51 director that the owner's motor vehicle was inoperable or being stored and not operated on the
52 date proof of financial responsibility is required by the director.

303.412. 1. Beginning [March 1, 2003] **January 1, 2011**, before the seventh working
2 date of each calendar month, all licensed insurance companies in this state shall provide to the
3 designated agent a record of all policies in effect on the last day of the preceding month. This
4 subsection shall not prohibit more frequent reporting.

5 2. The record pursuant to subsection 1 of this section shall include the following:

6 (1) The name, date of birth, driver's license number and address of each insured;
7 (2) The make, year and vehicle identification number of each insured motor vehicle;
8 (3) The policy number and effective date of the policy.
9 3. The department of revenue shall notify the department of insurance, financial
10 institutions and professional registration of any insurer who violates any provisions of this act.
11 The department of insurance, financial institutions and professional registration may, against any
12 insurer who fails to comply with this section, assess a fine not greater than one thousand dollars
13 per day of noncompliance. The department of revenue may assess a fine not greater than one
14 thousand dollars per day against the designated agent for failure to complete the project by the
15 dates designated in sections 303.400 to [303.415] **303.412** unless the delay is deemed beyond
16 the control of the designated agent or the designated agent provides acceptable proof that such
17 a noncompliance was inadvertent, accidental or the result of excusable neglect. The department
18 of insurance, financial institutions and professional registration shall excuse the fine against any
19 insurer if an assessed insurer provides acceptable proof that such insurer's noncompliance was
20 inadvertent, accidental or the result of excusable neglect.

21 **4. In addition to establishing a database pointer file as required under this section,**
22 **an online instant verification shall be established in accordance with the Insurance**
23 **Industry Committee on Motor Vehicle Administration Model User's Guide.**

2 [303.415. 1. Sections 303.400 and 303.403 shall become effective on
3 July 1, 2002, and shall expire on June 30, 2007.

4 2. The enactment of section 303.025, and the repeal and reenactment of
5 sections 303.406, 303.409, 303.412 and 303.415 shall become effective July 1,
2002 and sections 303.406, 303.409 and 303.412 shall expire on June 30, 2007.]

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