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LC02037/SUB A/2
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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 -- UNINSURED MOTORIST
IDENTIFICATION DATABASE PROCEDURE**

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:

1 SECTION 1. Title 31 of the General Laws entitled "MOTOR AND OTHER
2 VEHICLES" is hereby amended by adding thereto the following chapter:

3 CHAPTER 47.4

4 UNINSURED MOTORIST IDENTIFICATION DATABASE PROCEDURE

5 **31-47.4-1. Definitions. -- As used in this chapter:**

6 (1) "Account" means the Uninsured Motorist Identification Restricted Account created in
7 section 31-47.4-2.

8 (2) "Database" means the Uninsured Motorist Identification Database created in section
9 31-47.4-2.

10 (3) "Designated agent" means the third party the division of motor vehicles contracts with
11 under section 31-47.4-2.

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

13 (5) "Program" means the Uninsured Motorist Identification Database Program created in
14 section 31-47.4-2.

15 **31-47.4-2. Program creation -- Administration -- Selection of designated agent --**
16 **Duties -- Rulemaking -- Audits. -- (a) There is hereby created the Uninsured Motorist**
17 **Identification Database Program to:**

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

1 motor vehicle owner's or operator's security requirements under chapter 31-47 and other
2 provisions under this chapter, and;

3 (2) Assist in reducing the number of uninsured motor vehicles on the highways of the
4 state;

5 (b) The program shall be administered by the division of motor vehicles with the
6 assistance of the designated agent.

7 (c) The program will be funded by a percentage of the reinstatement fees collected
8 pursuant to this chapter. The percentage of the reinstatement fee that will be provided to the
9 designated agent will be determined by the division of motor vehicles. These fees will be
10 maintained in the uninsured motorist identification restricted account.

11 (d)(1) The division of motor vehicles shall contract with a third party to establish and
12 maintain an Uninsured Motorist Identification Database for the purposes established under this
13 chapter.

14 (2) The contract may not obligate the department to pay the third party more money than
15 is available in the account.

16 (e)(1) The third party under contract under this section is the department's designated
17 agent, and shall develop and maintain a computer database from the information provided by:

18 (i) Automobile liability insurers under section 31-47.4-3; and

19 (ii) The division of motor vehicles.

20 (2) The database shall be developed and maintained by the designated agent in
21 accordance with guidelines established by the division of motor vehicles so that state and local
22 law enforcement agencies can efficiently access the records of the database, including reports
23 useful for the implementation of the provisions of this chapter.

24 (i) The reports provided by the designated agent shall be in a form and contain
25 information approved by the division of motor vehicles.

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

29 (f) With information provided by the division of motor vehicles, the designated agent
30 shall, at least monthly, for submissions under subsection 31-47.4-3:

31 (1) Update the database with the motor vehicle insurance information provided by the
32 insurers in accordance with section 31-47.4-3; and

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

34 (g) The division shall provide the designated agent with the name, date of birth, address,

1 and driver license number, if available, of all persons having active registrations. The division
2 shall also provide the make, year and vehicle identification number for all active registrations.

3 (h) In accordance with chapter 42-35, "The Administrative Procedures Act," the division
4 of motor vehicles shall make rules and develop procedures to use the database for the purpose of
5 administering and enforcing this chapter.

6 (i) The designated agent shall archive computer data files at least semi-annually for
7 auditing purposes.

8 (2) The internal audit unit of the department of administration shall audit the program at
9 least every three (3) years.

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

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

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

14 **31-47.4-3. Motor vehicle insurance reporting -- Penalty. --** (a) Each insurer that issues
15 a policy that includes motor vehicle liability coverage, uninsured motorist coverage, underinsured
16 motorist coverage, or personal injury coverage under this section shall, before the seventh (7th)
17 day of each calendar month, provide to the division of motor vehicles designated agent selected in
18 accordance with the uninsured motorist identification database program, a record of each motor
19 vehicle insurance policy in effect for vehicles registered or garaged in Rhode Island as of the date
20 of the previous submission that was issued by the insurer.

21 (b) This subsection does not preclude more frequent reporting by an insurer on a
22 voluntary basis.

23 (c)(1) A record provided by an insurer under subsection (a) shall include:

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

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

26 (iii) The name, date of birth, and if available, driver's license number of each insured
27 owner or operator, and the address of the named insured; and

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

30 (e)(1) The division of motor vehicles may, following procedures adopted pursuant to
31 chapter 42-35, "The Administrative Procedures Act," assess a fine against an insurer of up to two
32 hundred fifty dollars (\$250) for each day the insurer fails to comply with this section.

33 (2) The division of motor vehicles shall excuse the fine if an insurer shows that the failure
34 to comply with this section was:

- 1 (i) Inadvertent;
- 2 (ii) Accidental; or
- 3 (iii) The result of excusable neglect.

4 **31-47.4-4. Notice -- Proof -- Revocation of registration -- False statement --**

5 **Penalties. --** (a) If the comparison under section 31-47.4-2 shows that a motor vehicle is not
6 insured for three (3) consecutive months, the division of motor vehicles shall direct that the
7 designated agent provide notice to the owner of the motor vehicle that the owner has fifteen (15)
8 days to provide to the designated agent:

- 9 (1) Proof of owner's or operator's security; or
- 10 (2) Proof of exemption from the owner's or operator's security requirements.

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

13 (1) Provide a second (2nd) notice to the owner of the motor vehicle that the owner now
14 has fifteen (15) days to provide:

- 15 (i) Proof of owner's or operator's security; or
- 16 (ii) Proof of exemption from the owner's or operator's security requirements;
- 17 (c) For each notice provided, the designated agent shall:

18 (i) Indicate information relating to the owner's failure to provide proof of owner's or
19 operator's security in the database;

20 (ii) Provide this information to the division of motor vehicles; and

21 (d) If the designated agent notifies the department of motor vehicles that an owner of a
22 motor vehicle failed to provide satisfactory proof of owner's or operator's security to the
23 designated agent, the division of motor vehicles:

- 24 (1) Shall revoke the registration;
- 25 (2) Shall provide appropriate notices of the revocation, the legal consequences of
26 operating a vehicle with revoked registration and without owner's or operator's security and
27 instructions on how to get the registration reinstated.

28 (e) A registration that has been revoked under this section shall not be reinstated and a
29 new license or registration shall not be issued to the holder of the revoked registration until the
30 person:

31 (1) Pays to the division of motor vehicles an administrative reinstatement fee of two
32 hundred fifty dollars (\$250), the fee imposed by the section is in addition to any other fines or
33 penalties imposed by law;

34 (2) Complies with the other requirements of this act. The fee imposed by this section is in

1 addition to any other fees or penalties imposed by law.

2 (f) The department of motor vehicles may direct the designated agent to provide the
3 notices under subsection (d)(2).

4 (g) Any action by the division of motor vehicles to revoke the registration of a motor
5 vehicle under this section may be in addition to an action by a law enforcement agency to impose
6 the penalties.

7 (h)(1) A person may not provide a false or fraudulent statement to the division of motor
8 vehicles or designated agent.

9 (2) In addition to any other penalties, a person who violates paragraph (h)(1) is guilty of a
10 misdemeanor.

11 (i) This section does not affect other actions or penalties that may be taken or imposed for
12 violation of the owner's and operator's security requirements of this title.

13 **31-47.4-5. Disclosure of insurance information -- Penalty. --** (a) Information in the
14 database established under section 31-47.4-2 provided by a person to the designated agent is
15 considered to be the property of the person providing the information.

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

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

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

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

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

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

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

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

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

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

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

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

6 (ii) Purchase of a motor vehicle; and

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

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

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

13 (7) Upon the request of a state or local law enforcement agency for the purpose of
14 investigating and prosecuting identity theft and other crimes.

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

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

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

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

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

25 (i) Document authenticated, including each certified copy; and

26 (ii) Record accessed by the Internet or by other electronic medium.

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

30 (e) An insurer is not liable to any person for complying with section 31-47.4-3 by
31 providing information to the designated agent.

32 (f) Neither the state nor the division of motor vehicles' designated agent is liable to any
33 person for gathering, managing, or using the information in the database as provided in section
34 31-47.4-2 and this chapter.

1 **31-47.4-6. Compliance.** -- Every property and casualty insurance company that is
2 licensed to issue motor vehicle insurance policies or is authorized to do business in Rhode Island
3 shall comply with this chapter for verification of evidence of vehicle insurance for every vehicle
4 insured by that company in Rhode Island as required by the rules and regulations of the
5 department.

6 **31-47.4-7. Civil and administrative immunity.** -- Insurers and the designated agent
7 shall be immune from civil and administrative liability for good faith efforts to comply with the
8 terms of this chapter.

9 **31-47.4-8. Commercial exemption.** -- For the purposes of this chapter, commercial auto
10 coverage is defined as any coverage provided to an insured, regardless of number of vehicles or
11 entities covered, under a commercial coverage form and rated from a commercial manual
12 approved by the commissioner of insurance. This chapter shall not apply to vehicles insured
13 under commercial auto coverage; however, insurers of such vehicles may participate on a
14 voluntary basis.

15 **31-47.4-9. Rental vehicle exemption.** -- This chapter shall not apply to vehicles
16 registered and used as rental vehicles pursuant to section 31-5-33.

17 **31-47.4-10. Use of information.** -- Information provided to the designated agent by the
18 division or any insurance company shall not be further disclosed or disseminated by the
19 designated agent without the express written consent of the division and the insurance company.
20 The designated agent shall enter contractual relationships with insurers to further protect the
21 confidentiality and security of information under this section.

22 SECTION 2. This act shall take effect on July 1, 2014.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- UNINSURED MOTORIST
IDENTIFICATION DATABASE PROCEDURE

- 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 July 1, 2014.

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