



BILL and Amendment SUMMARY

Insurance Verification HF 604

Status of Bill: House Unfinished Business
Committee: Ways and Means (18-4)
Lead Democrats: Rep Forbes
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April 10 2017

Background

There are approximately 22 states that have a varying degree of an insurance verification program. The type of program varies by the state, some states do it in house, some use a third party vendor, some use a hybrid model, and others use a state university.

There are different percentages of the number of uninsured drivers depending on who you talk to. The company pushing for this legislation claims there are 25% uninsured drivers, while the insurance industry states the number is closer to 9%.

A very similar bill passed the House Transportation Committee earlier this session 14-7. The only difference between this bill and the one that passed out of Transportation Committee is this bill removes a violation is secondary offense and that camera's cannot scan license plates to see if the car is insured.

Summary

Insurance Verification Program

This legislation requires an insurance verification with the intention of establishing a motor vehicle insurance database to reduce the number of uninsured drivers and increase compliance with motor vehicle registration requirements.

An advisory council established by the Department of Transportation (DOT) is required to make recommendations on the implementation of a real time internet service insurance verification program and through the competitive bidding process contract with a third party vendor to administer the program.

Once established the agent of the database is required twice a month to update the database with information provided by the insurers and compare all motor vehicle registration against the database. On or before the 7th of each month the DOT is required to give the information of each vehicle in the database and the name of each person on the vehicles registration.

Enforcement

People who do not have a registered vehicle in the database and the real time internet service, are sent first class mail and given 15 days to provide that they have financial liability coverage or that they are exempt from having financial liability coverage.

If the person does not respond to the first notice a second one is sent and another 15 deadline to provide proof of financial liability is given. If after the second notice no proof of financial liability coverage is given to the agent, the agent is to notify the DOT and the person's suspend the registration of the motor vehicle.

In order to have a registration reinstated a person must pay an administrative fee of \$100 as well as any other penalties. Fees collected are to be used exclusively to offset the costs of administering the program.

Reporting

Insurance providers are required to submit to the DOT or the designated agent, on or before the 7th and 21st days of each month. For each day the insurer fails to provide the correct information, the DOT may assess a civil penalty of no more than \$250 for each day the insurer fails to comply. An insurer who discloses records in a good faith effort is not subject to the civil penalty.

Disclosure

Information is considered to be confidential except to prove coverage for an investigation to a state or local agency. Information whether an individual is covered can also be given out upon request to the individual or their estate, a parent or legal guardian, power of attorney, a person who submits a notarized release, a person suffering a loss or injury in the individual was involved (only as a part of an accident report).

Information can also be disclosed by request of a peace officer acting in an official capacity, to the state auditor who is conducting an audit of the program, financial company who is protecting the security interest in a motor vehicle.

The department may allow for the designated agent to charge a fee for authenticating a document, accessing a record through the internet, providing a record to a financial institution.

Effective Date

This act takes effect July 1, 2019

Amendment Summary

H-1313 by Olson of Polk

This amendment allows for a person to avoid a conviction if they are able to provide financial liability coverage was in effect for the car at the time of the citation or if it was the first citation and the person is able to purchase coverage on or after the citation and is in effect. The amendment also requires that registration receipts must state that failure to carry insurance may result in the suspension of the registration and impact the ability to register a motor vehicle.