

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

ENROLLED

Committee Substitute

for

House Bill 5178

BY DELEGATE HALL

[Passed March 6, 2024; in effect ninety days from
passage.]

1 AN ACT to amend and reenact §17D-2A-6a of the Code of West Virginia, 1931, as amended,
2 relating to allowing new and used motor vehicle dealerships in this state to access an
3 online electronic insurance verification system to verify if prospective buyers have valid
4 motor vehicle insurance; and correcting terminology and an incorrect reference to a
5 national insurance commissioners association to the National Association of Insurance
6 Commissioners.

Be it enacted by the Legislature of West Virginia:

ARTICLE 2A. SECURITY UPON MOTOR VEHICLES.

§17D-2A-6a. Determining if required security is in effect.

1 (a) The commissioner may make a determination that the required security on a motor
2 vehicle is not in effect based upon crash reports required under the provisions of §17C-4-1 *et seq.*
3 of this code, reports or citations from law-enforcement agencies, citations or abstracts of
4 conviction from courts, or from information from an online electronic insurance verification
5 program.

6 (b) The commissioner is authorized to develop and implement an electronic insurance
7 verification program based upon a model established by the Insurance Industry Committee on
8 Motor Vehicle Administration (IICMVA) to electronically verify evidence of insurance coverage
9 with insurance companies.

10 (c) The commissioner may contract with a third-party vendor to act as his or her agent to
11 develop the program, conduct the electronic verification process with insurance companies, and
12 to operate the program.

13 (d) If developed and implemented by the commissioner, the online insurance verification
14 program shall:

15 (1) Be able to verify, on an on-demand basis minus reasonable down time for system
16 maintenance as agreed upon by the division or its agent and the insurance carrier, the liability
17 insurance status as of the time of the inquiry or at other times not exceeding six months prior

18 unless otherwise agreed upon by the division or its agent and the insurance carrier or via other
19 similar electronic system that is consistent with insurance industry and IICMVA recommendations
20 and the specifications and standards of the IICMVA model;

21 (2) Be able to make insurance verification inquiries to insurers by using multiple data
22 elements for greater matching accuracy including National Association of Insurance
23 Commissioners' (NAIC) code specific to each licensed insurance company, vehicle identification
24 numbers, and policy number or other data elements as otherwise agreed to by the division or its
25 agent and the insurer;

26 (3) Provide sufficient measures for the security and integrity of data including a
27 requirement that the information obtained through the operation of the program be only used for
28 the sole use of the Division of Motor Vehicles or its agent, law enforcement, new and used motor
29 vehicle dealerships, and the judiciary to effectuate the provisions of this article; and

30 (4) Utilize open and agreed upon data and data transmission standards and standard SML
31 extensible markup language schema.

32 (e) If the commissioner develops and implements an online insurance verification
33 program, each insurer shall:

34 (1) Cooperate with the Division of Motor Vehicles or its agent in establishing and operating
35 the program;

36 (2) Maintain the data necessary to verify the existence of mandatory liability insurance
37 coverage provided to its customers pursuant to the required time period established for the online
38 insurance verification program;

39 (3) Maintain the internet web service, pursuant to the requirements established under the
40 online insurance verification program, through which online insurance verification can take place
41 that includes the ability to respond to authorized inquiries on whether the vehicle is insured or the
42 policy in effect on the requested date through the insurer's NAIC code, vehicle identification

43 number, insurance policy number, or other data key or keys as otherwise agreed to by the division
44 or its agent and the insurer;

45 (4) Provide security consistent with accepted insurance industry and United States motor
46 vehicle agency standards pertinent to the transmission of personal data;

47 (5) Be immune from civil and administrative liability for good faith efforts to comply with
48 the terms of the verification program; and

49 (6) As a condition of writing motor vehicle liability insurance in this state, insurance carriers
50 shall cooperate with the division or its agent and the insurance commission in establishing and
51 maintaining an insurance verification system. Nothing prohibits an insurer from using the services
52 of a third-party vendor for facilitating the insurance verification program required by this section.

53 (f) If the commissioner develops and implements an online insurance verification program,
54 the Division of Motor Vehicles or its agent, as applicable, shall:

55 (1) Consult and cooperate with insurers in establishing and operating the online insurance
56 verification system;

57 (2) Designate and maintain a contact person for insurers during the establishment and
58 implementation of the online insurance verification system;

59 (3) Conduct a pilot project to test the insurance verification system no less than 18 months
60 prior to final implementation;

61 (4) Establish and maintain the systems necessary to make verification requests to insurers
62 using the data elements that the Division of Motor Vehicles or its agent and the insurer have
63 agreed upon and are necessary to receive accurate responses from insurers;

64 (5) For all information transmitted and received, implement and maintain strict system and
65 data security measures consistent with applicable standards. Data secured via the verification
66 system by either the division or its agent may not be shared by any person who accesses the
67 verification system with any party other than those permitted by state or federal privacy laws;

68 (6) Be responsible for keeping all interested state agencies informed on the
69 implementation status, functionality, and planned or unplanned service interruptions; and

70 (7) Provide alternative methods of reporting for small insurers writing less than 500 non-
71 commercial motor vehicle policies in the state as determined by the Division of Motor Vehicles or
72 its agent.

73 (g) Any information obtained by the division or its agent under the provisions of an
74 electronic insurance system is for the sole use of the Division of Motor Vehicles or its agent, law
75 enforcement, new and used motor vehicle dealerships, and the judiciary to effectuate the
76 provisions of this article and is exempt from disclosure under the provisions of §29B-1-1 *et seq.*
77 of this code and may not be considered a public record as defined in §29B-1-2 of this code.

78 (h) Not more than two years after the establishment of an online insurance verification
79 program, the Division of Motor Vehicles, after consultation with insurers, shall report to the
80 Legislature as to the costs of the program incurred by the division, insurers, and the public and
81 the effectiveness of the program in reducing the number of uninsured motor vehicles.

82 (i) The online insurance verification system authorized in this section may be accessed by
83 new and used motor vehicle dealerships in this state to verify if a prospective purchaser has valid
84 motor vehicle insurance.

The Clerk of the House of Delegates and the Clerk of the Senate hereby certify that the foregoing bill is correctly enrolled.

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Clerk of the House of Delegates

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Clerk of the Senate

Originated in the House of Delegates.

In effect ninety days from passage.

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Speaker of the House of Delegates

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President of the Senate

The within is this the.....
Day of, 2024.

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Governor