

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 3028

**FISCAL
NOTE**

By Delegates Mallow, Heckert, Marple, and Miller

[Introduced February 28, 2025; referred to the
Committee on Government Organization then
Finance]

1 A BILL to amend and reenact §17D-2A-6a and §33-6-31g of the Code of West Virginia, 1931, as
2 amended, relating to requiring the commissioner of Motor Vehicles to develop and
3 implement an electronic insurance verification program; and requiring the Insurance
4 Commissioner to propose rules necessary to implement requirements of the electronic
5 insurance verification program.

Be it enacted by the Legislature of West Virginia:

CHAPTER 17D. MOTOR VEHICLE SAFETY RESPONSIBILITY LAW.

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, inquiries from law-enforcement agencies, or from information from an on-
5 line electronic insurance verification program.

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

13 (d) If When developed and implemented by the commissioner, the on-line insurance
14 verification 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

insurance status as of the time of the inquiry or at other times not exceeding six months prior unless otherwise agreed upon by the division or its agent and the insurance carrier or via other similar electronic system that is consistent with insurance industry and Insurance Industry Committee on Motor Vehicle Administration (IICMVA) recommendations and the specifications and standards of the IICMVA model;

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

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

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

(e) If When the commissioner develops and implements an on-line insurance verification program, each insurer shall:

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

(2) Maintain the data necessary to verify the existence of mandatory liability insurance coverage provided to its customers pursuant to the required time period established for the on-line insurance verification program;

(3) Maintain the internet web service, pursuant to the requirements established under the online insurance verification program, through which online insurance verification can take place that includes the ability to respond to authorized inquiries on whether the vehicle is insured or the

policy in effect on the requested date through the insurer's national insurance commissioners association code, vehicle identification number, insurance policy number or other data key or keys as otherwise agreed to by the division or its agent and the insurer;

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

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

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

(f) If When the commissioner develops and implements an on-line insurance verification program, the Division of Motor Vehicles or its agent as applicable shall:

(1) Consult and cooperate with insurers in establishing and operating the on-line insurance verification system;

(2) Designate and maintain a contact person for insurers during the establishment and implementation of the on-line insurance verification system;

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

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

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

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

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

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

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

CHAPTER 33. INSURANCE.

ARTICLE 6. THE INSURANCE POLICY.

§33-6-31g. Electronic insurance verification program; insurer's duty to cooperate.

(a) If When the Division of Motor Vehicles establishes an electronic insurance verification program in accordance with §17D-2A-6a of this code, any insurance company that issues or delivers in this state a policy or contract of bodily injury liability insurance or of property damage liability insurance covering liability arising from the ownership, maintenance or use of any motor vehicle, or upon any motor vehicle for which a certificate of title has been issued by the Division of Motor Vehicles of this state, shall comply with the requirements of the program.

(b) The insurance commissioner ~~may~~ shall propose rules for legislative approval in accordance with §29A-3-1 *et seq.* of this code as necessary to implement the provisions of this

9 section, and may initially promulgate emergency rules pursuant to §29A-3-15 of this code. ~~Such~~
10 The rules may prescribe penalties, including fines and other administrative sanctions, that may be
11 imposed by the commissioner for a company's failure to comply with requirements of the
12 electronic insurance verification program.

NOTE: The purpose of this bill is to require the commissioner of Motor Vehicles to develop and implement an electronic insurance verification program; and to require the Insurance Commissioner to propose rules necessary to implement requirements of the electronic insurance verification program.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.