1 **UNINSURED MOTORIST IDENTIFICATION**

2 **DATABASE PROGRAM AMENDMENTS**

3 2007 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Carlene M. Walker**

6 House Sponsor: Todd E. Kiser

7

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies the Insurance Code and Motor Vehicles Code by amending

11 provisions relating to the Uninsured Motorist Identification Database Program.

12 **Highlighted Provisions:**

13 This bill:

14 ▸ amends the definition of commercial motor vehicle insurance coverage and repeals

15 the requirement that the Insurance Department make rules establishing a procedure

16 to approve certain policies;

17 ▸ provides that the Uninsured Motorist Identification Database Program shall be

18 audited by the State Tax Commission at least every three years rather than annually;

19 and

20 ▸ makes technical changes.

21 **Monies Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 AMENDS:

27 **31A-22-315**, as last amended by Chapters 130 and 211, Laws of Utah 2006

28 **41-12a-803**, as last amended by Chapter 130, Laws of Utah 2006

29

30   *Be it enacted by the Legislature of the state of Utah:*

31   Section 1. Section **31A-22-315** is amended to read:

32   **31A-22-315.   Motor vehicle insurance reporting -- Penalty.**

33   (1) (a) As used in this section, "commercial motor vehicle insurance coverage" means

34   an insurance policy that:

35   (i) includes motor vehicle liability coverage, uninsured motorist coverage,

36   underinsured motorist coverage, or personal injury coverage; and

37   (ii) is defined [and approved] by the department.

38   (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the

39   department shall make rules[: (i)] defining commercial motor vehicle insurance coverage[;

40   and].

41   [(ii) establishing a procedure to approve a policy that includes motor vehicle liability

42   coverage, uninsured motorist coverage, underinsured motorist coverage, or personal injury

43   coverage as a commercial motor vehicle insurance coverage policy.]

44   (2) (a) Except as provided in Subsections (2)(b) and (c), each insurer that issues a

45   policy that includes motor vehicle liability coverage, uninsured motorist coverage,

46   underinsured motorist coverage, or personal injury coverage under this part shall before the

47   seventh and twenty-first day of each calendar month provide to the Department of Public

48   Safety's designated agent selected in accordance with Title 41, Chapter 12a, Part 8, Uninsured

49   Motorist Identification Database Program, a record of each motor vehicle insurance policy in

50   effect for vehicles registered or garaged in Utah as of the previous submission that was issued

51   by the insurer.

52   (b) Each insurer that issues commercial motor vehicle insurance coverage shall before

53   the seventh day of each calendar month provide to the Department of Public Safety's

54   designated agent selected in accordance with Title 41, Chapter 12a, Part 8, Uninsured Motorist

55   Identification Database Program, a record of each commercial motor vehicle insurance policy

56   in effect for vehicles registered or garaged in Utah as of the previous month that was issued by

57   the insurer.

58   (c) An insurer that issues a policy that includes motor vehicle liability coverage,

59   uninsured motorist coverage, underinsured motorist coverage, or personal injury coverage

60   under this part is not required to provide a record of a motor vehicle insurance policy in effect

61   for a vehicle to the Department of Public Safety's designated agent under Subsection (2)(a) or

62   (b) if the policy covers a vehicle that is registered under Section 41-1a-221, 41-1a-222, or

63   41-1a-301.

64   (d) This Subsection (2) does not preclude more frequent reporting.

65   (3) (a) A record provided by an insurer under Subsection (2)(a) shall include:

66   (i) the name, date of birth, and driver license number, if the insured provides a driver

67   license number to the insurer, of each insured owner or operator, and the address of the named

68   insured;

69   (ii) the make, year, and vehicle identification number of each insured vehicle; and

70   (iii) the policy number, effective date, and expiration date of each policy.

71   (b) A record provided by an insurer under Subsection (2)(b) shall include:

72   (i) the named insured;

73   (ii) the policy number, effective date, and expiration date of each policy; and

74   (iii) the following information, if available:

75   (A) the name, date of birth, and driver license number of each insured owner or

76   operator, and the address of the named insured; and

77   (B) the make, year, and vehicle identification number of each insured vehicle.

78   (4) Each insurer shall provide this information by an electronic means or by another

79   form the Department of Public Safety's designated agent agrees to accept.

80   (5) (a) The commissioner may, following procedures set forth in Title 63, Chapter 46b,

81   Administrative Procedures Act, assess a fine against an insurer of up to $250 for each day the

82   insurer fails to comply with this section.

83   (b) If an insurer shows that the failure to comply with this section was inadvertent,

84   accidental, or the result of excusable neglect, the commissioner shall excuse the fine.

85   Section 2. Section **41-12a-803** is amended to read:

86   **41-12a-803.   Program creation -- Administration -- Selection of designated agent**

87   **-- Duties -- Rulemaking -- Audits.**

88   (1) There is created the Uninsured Motorist Identification Database Program to:

89   (a) establish an Uninsured Motorist Identification Database to verify compliance with

90   motor vehicle owner's or operator's security requirements under Section 41-12a-301 and other

91   provisions under this part;

92   (b) assist in reducing the number of uninsured motor vehicles on the highways of the

93   state;

94   (c) assist in increasing compliance with motor vehicle registration and sales and use tax

95   laws; and

96   (d) assist in protecting a financial institution's bona fide security interest in a motor

97   vehicle.

98   (2) The program shall be administered by the department with the assistance of the

99   designated agent and the Motor Vehicle Division.

100   (3) (a) The department shall contract in accordance with Title 63, Chapter 56, Utah

101   Procurement Code, with a third party to establish and maintain an Uninsured Motorist

102   Identification Database for the purposes established under this part.

103   (b) The contract may not obligate the department to pay the third party more monies

104   than are available in the account.

105   (4) (a) The third party under contract under this section is the department's designated

106   agent, and shall develop and maintain a computer database from the information provided by:

107   (i) insurers under Section 31A-22-315;

108   (ii) the division under Subsection (6); and

109   (iii) the Motor Vehicle Division under Section 41-1a-120.

110   (b) (i) The database shall be developed and maintained in accordance with guidelines

111   established by the department so that state and local law enforcement agencies and financial

112   institutions as defined in Section 7-1-103 can efficiently access the records of the database,

113   including reports useful for the implementation of the provisions of this part.

114   (ii) (A) The reports shall be in a form and contain information approved by the

115   department.

116   (B) The reports may be made available through the Internet or through other electronic

117   medium, if the department determines that sufficient security is provided to ensure compliance

118   with Section 41-12a-805 regarding limitations on disclosure of information in the database.

119   (5) With information provided by the department and the Motor Vehicle Division, the

120   designated agent shall, at least monthly for submissions under Subsection 31A-22-315(2)(b) or

121   at least twice a month for submissions under Subsection 31A-22-315(2)(a):

122   (a) update the database with the motor vehicle insurance information provided by the

123   insurers in accordance with Section 31A-22-315; and

124   (b) compare all current motor vehicle registrations against the database.

125   (6) The division shall provide the designated agent with the name, date of birth,

126   address, and driver license number of all persons on the driver license database.

127   (7) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the

128   department shall make rules and develop procedures in cooperation with the Motor Vehicle

129   Division to use the database for the purpose of administering and enforcing this part.

130   (8) (a) The designated agent shall archive computer data files at least semi-annually for

131   auditing purposes.

132   (b) The internal audit unit of the tax commission provided under Section 59-1-206

133   shall audit the program at least [annually] every three years.

134   (c) The audit under Subsection (8)(b) shall include verification of:

135   (i) billings made by the designated agent; and

136   (ii) the accuracy of the designated agent's matching of vehicle registration with

137   insurance data.