

SECOND REGULAR SESSION

HOUSE BILL NO. 1803

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES KRATKY (Sponsor) AND DAUS (Co-sponsor).

Read 1st time February 16, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

5101L.011

AN ACT

To repeal section 303.026, RSMo, and to enact in lieu thereof one new section relating to verification of motor vehicle financial responsibility, with a penalty provision.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 303.026, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 303.026, to read as follows:

303.026. 1. The director shall inform each owner who registers a motor vehicle of the following:

(1) The existence of the requirement that every motor vehicle owner in the state [must] **shall** maintain his **or her** financial responsibility;

(2) The requirement that every motor vehicle owner show an insurance identification card, or a copy thereof, or other proof of financial responsibility at the time of vehicle registration; this notice shall be given at least thirty days prior to the month for renewal and shall be shown in bold, colored print;

(3) The penalties which apply to violations of the requirement to maintain financial responsibility;

(4) The benefits of maintaining coverages in excess of those which are required;

(5) The director's [authority] **duty** to conduct samples of Missouri motor vehicle owners to ensure compliance.

2. No motor vehicle owner shall be issued registration for a vehicle unless the owner, or [his] **the owner's** authorized agent, signs an affidavit provided by the director of revenue at

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 the time of registration of the vehicle certifying that such owner has and will maintain, during
17 the period of registration, financial responsibility with respect to each motor vehicle that is
18 owned, licensed or operated on the streets or highways. The affidavit need not be notarized, but
19 it shall be acknowledged by the person processing the form. The affidavit shall state clearly and
20 in bold print the following: "Any false affidavit is a crime under section 575.050 of Missouri
21 law.". In addition, every motor vehicle owner shall show proof of such financial responsibility
22 by presenting his or her insurance identification card, as described in section 303.024, or a copy
23 thereof, or some other proof of financial responsibility in the form prescribed by the director of
24 revenue at the time of registration unless such owner registers his **or her** vehicle in conjunction
25 with a reciprocity agreement entered into by the Missouri highway reciprocity commission
26 pursuant to sections 301.271 to 301.279, RSMo, or unless the owner insures the vehicle
27 according to the requirements of the division of motor carrier and railroad safety pursuant to
28 section 390.126, RSMo.

29 3. (1) To ensure compliance with this chapter, the director [may utilize] **shall annually**
30 **verify the financial responsibility of at least ten percent of all persons required to maintain**
31 **financial responsibility under this chapter utilizing** a variety of sampling techniques,
32 including but not limited to random samples of registrations subject to this section, uniform
33 traffic tickets, insurance information provided to the director at the time of motor vehicle
34 registration, and persons who during the preceding year have received a disposition of
35 court-ordered supervision or suspension. The director [may] **shall** verify the financial
36 responsibility of any person sampled or reported **and take appropriate action against any**
37 **person who the director determines to be in violation of the requirements of this chapter.**

38 [(1)] (2) Beginning January 1, 2001, the director may require such information, as in his
39 or her discretion is necessary to enforce the requirements of subdivision (1) of subsection 1 of
40 this section, to be submitted from the person's insurer or insurance company. When requested
41 by the director of revenue, all licensed insurance companies in this state which sell private
42 passenger (noncommercial) motor vehicle insurance policies shall report information regarding
43 the issuance, nonrenewal and cancellation of such policies to the director, excluding policies
44 issued to owners of fleet or rental vehicles or issued on vehicles that are insured pursuant to a
45 commercial line policy. Such information shall be reported electronically in a format as
46 prescribed by the director of the department of revenue by rule except that such rule shall provide
47 for an exemption from electronic reporting for insurers with a statistically insignificant number
48 of policies in force.

49 [(2)] (3) The director may require the data described in subsection 2 of section 303.412
50 to be reported by insurance companies and require reporting periods of at least once per month.
51 When required by the director of revenue, each insurance company shall provide to the

52 department a record of each policy issued, canceled, terminated or revoked during the period
53 since the previous report. Nothing in this section shall prohibit insurance companies from
54 reporting more frequently than once per month.

55 ~~[(3)]~~ (4) The director may use reports described in subdivision [(1)] (2) of this subsection
56 for sampling purposes as provided in this section.

57 4. Information provided to the department by an insurance company for use in
58 accordance with this section is the property of the insurer and is not subject to disclosure
59 pursuant to chapter 610, RSMo. Such information [may] **shall** be utilized by the department for
60 enforcement of this chapter but [may] **shall** not be disclosed; except that, the department shall
61 disclose whether an individual is maintaining the required insurance coverage upon request of
62 the following individuals and agencies only:

63 (1) The individual;

64 (2) The parent or legal guardian of an individual if the individual is an unemancipated
65 minor;

66 (3) The legal guardian of the individual if the individual is legally incapacitated;

67 (4) Any person who has power of attorney from the individual;

68 (5) Any person who submits a notarized release from the individual that is dated no more
69 than ninety days before the request is made;

70 (6) Any person claiming loss or injury in a motor vehicle accident in which the
71 individual is involved;

72 (7) The office of the state auditor, for the purpose of conducting any audit authorized by
73 law.

74 5. The director, after consultation with the working group as provided for in section
75 303.406, may adopt any rules and regulations necessary to carry out the provisions of
76 subdivisions [(1) through (3)] (1) to (4) of subsection 3 of this section. Any rule or portion of
77 a rule, as that term is defined in section 536.010, RSMo, that is created under the authority
78 delegated in this section shall become effective only if it complies with and is subject to all of
79 the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section
80 and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general
81 assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove
82 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority
83 and any rule proposed or adopted after August 28, 2000, shall be invalid and void.

84 6. Any person or agency who knowingly discloses information received from insurance
85 companies pursuant to this section for any purpose, or to a person, other than those authorized
86 in this section is guilty of a class A misdemeanor. No insurer shall be liable to any person for

87 performing its duties pursuant to this section unless and to the extent the insurer commits a
88 willful and wanton act of omission.

89 7. The department of revenue shall notify the department of insurance of any insurer who
90 violates any provisions of this section. The department of insurance may, against any insurer
91 who knowingly fails to comply with this section, assess an administrative penalty up to five
92 hundred dollars per day of noncompliance. The department of insurance may excuse the
93 administrative penalty if an assessed insurer provides acceptable proof that such insurer's
94 noncompliance was inadvertent, accidental or the result of excusable neglect. The penalty
95 provisions of this section shall become effective six months after the rule issued pursuant to
96 subsections 3 and 5 of this section is published in the code of state regulations.

97 8. To verify that financial responsibility is being maintained, the director shall notify the
98 owner or operator of the need to provide, within fifteen days, proof of the existence of the
99 required financial responsibility. The request shall require the owner or the operator to state
100 whether or not the motor vehicle was insured on the verification date stated in the director's
101 request. The request may include but not be limited to a statement of the names and addresses
102 of insurers, policy numbers and expiration date of insurance coverage. Failure to provide such
103 information shall result in the suspension of the registration of the owner's motor vehicle, and
104 where applicable, the owner's or the operator's driving privilege, for failing to meet such
105 requirements, as is provided in this chapter.

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