
HOUSE BILL 2695

State of Washington 61st Legislature 2010 Regular Session

By Representatives Takko, Kessler, Walsh, Rodne, Bailey, Roach, Anderson, and Morrell

Read first time 01/12/10. Referred to Committee on Transportation.

1 AN ACT Relating to an online insurance verification system; adding
2 new sections to chapter 46.30 RCW; and providing an effective date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 46.30 RCW
5 under the subchapter heading "online insurance verification system" to
6 read as follows:

7 The definitions in this section apply throughout this subchapter
8 unless the context clearly requires otherwise.

9 (1) "Commercial automobile insurance coverage" means any insurance
10 coverage provided to an insured, regardless of the number of vehicles
11 or entities covered, under a commercial insurance coverage form and
12 rated using either a commercial manual or rating rule and without
13 regard to vehicle type and ownership.

14 (2) "Commercial motor vehicle" means any motor vehicle registered
15 in this state and insured under commercial automobile insurance
16 coverage.

17 (3) "Insurer" means an insurance company licensed or authorized to
18 do business in this state.

1 (4) "Online insurance verification system" or "system" means an
2 online insurance verification system using web services.

3 (5) "Personal motor vehicle" means a motor vehicle registered in
4 this state and insured under personal automobile insurance coverage and
5 not under commercial automobile insurance coverage.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 46.30 RCW
7 under the subchapter heading "online insurance verification system" to
8 read as follows:

9 (1) The department shall establish, within two years of the
10 effective date of this act, an online insurance verification system
11 using web services for motor vehicles registered in this state. In
12 establishing this system, the department shall:

13 (a) Consult regularly with representatives of insurers in
14 determining the objectives and details of the system;

15 (b) Provide for a testing period of more than nine months prior to
16 the establishment date required in subsection (1) of this section;

17 (c) Publish a detailed user guide; and

18 (d) Establish and maintain a contact person for insurers.

19 (2) In establishing this system, the department may enter into
20 contracts with vendors or contractors.

21 NEW SECTION. **Sec. 3.** A new section is added to chapter 46.30 RCW
22 under the subchapter heading "online insurance verification system" to
23 read as follows:

24 The online insurance verification system must:

25 (1) Be accessible by authorized personnel of the department for
26 direct inquiry. Access to the courts, insurers, and law enforcement
27 must be through authorized personnel of the department;

28 (2) Be capable of verifying, on an on demand basis minus reasonable
29 down time for system maintenance as agreed upon by the state and the
30 insurer that is within reasonable experientially based timeframes, the
31 liability insurance status of a vehicle with the insurer listed on any
32 insurance identification card or in the department's records. This
33 verification must be made available through the internet or other
34 similar electronic systems and must be consistent with insurance
35 industry specifications and standards;

1 (3) Be able to make insurance verification inquiries to insurers
2 using multiple data elements including, but not limited to, national
3 association of insurance commissioners code, vehicle identification
4 numbers, policy numbers, or other data elements agreed to by the
5 department and an insurer;

6 (4) Provide sufficient measures for data security; and

7 (5) Utilize open and agreed upon data and data transmission
8 standards and standard schema.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 46.30 RCW
10 under the subchapter heading "online insurance verification system" to
11 read as follows:

12 (1) Each insurer shall:

13 (a) Cooperate with the department in establishing and operating the
14 online insurance verification system;

15 (b) Maintain the data necessary to verify the existence of
16 mandatory liability coverage provided to its customers pursuant to the
17 required time period for the online insurance verification system;

18 (c) Maintain internet or similar service, pursuant to the
19 requirements established for the online insurance verification system,
20 through which online insurance verification can occur;

21 (d) Provide adequate security consistent with insurance industry
22 standards; and

23 (e) Provide commercial automobile insurance customers with an
24 insurance identification card clearly reflecting that the vehicle is
25 insured under a commercial motor vehicle policy.

26 (2) Each insurer is immune from civil and administrative liability
27 for good faith efforts to comply with this subchapter.

28 (3) Nothing in this subchapter prohibits an insurer from using the
29 services of a vendor to facilitate the establishment and operation of
30 the online insurance verification system required under this
31 subchapter.

32 NEW SECTION. **Sec. 5.** A new section is added to chapter 46.30 RCW
33 under the subchapter heading "online insurance verification system" to
34 read as follows:

35 (1) The department shall:

- 1 (a) Cooperate with insurers in establishing and operating the
2 system;
- 3 (b) Maintain the list of authorized requesting entities and
4 individuals and incorporate that list as part of the system;
- 5 (c) Conduct a pilot project to test the system prior to the
6 establishment date required under section 2(1) of this act;
- 7 (d) Establish and maintain the systems necessary to make
8 verification requests to insurers using the data elements agreed to by
9 the department and the insurers;
- 10 (e) For all information transmitted or received, implement and
11 maintain strict system and data security measures consistent with
12 applicable standards;
- 13 (f) Keep all appropriate state agencies informed on the
14 implementation status, functionality, and service interruptions of the
15 system;
- 16 (g) Provide alternative methods, as determined by the department,
17 of reporting for small insurers writing policies for no more than five
18 hundred vehicles in the state;
- 19 (h) Work with insurers on issues related to the system to ensure
20 equitable resolution;
- 21 (i) Maintain historical records of system data for eighteen months;
22 and
- 23 (j) Provide a method to separately track motor vehicles owned by a
24 qualified self-insured.
- 25 (2) Nothing in this subchapter prohibits the department from using
26 the services of a vendor to facilitate the establishment and operation
27 of an online insurance verification system required under this
28 subchapter.

29 NEW SECTION. **Sec. 6.** A new section is added to chapter 46.30 RCW
30 under the subchapter heading "online insurance verification system" to
31 read as follows:

32 The department shall report to the transportation committees of the
33 legislature by July 1, 2014, regarding the operation of the online
34 insurance verification system including, but not limited to, the costs
35 of system implementation and the effectiveness of the program in

1 reducing the number of uninsured drivers.

2 NEW SECTION. **Sec. 7.** This act takes effect July 1, 2010.

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