

# SENATE BILL REPORT

## SB 5864

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As of January 22, 2026

**Title:** An act relating to verification of motor vehicle insurance.

**Brief Description:** Concerning verification of motor vehicle insurance.

**Sponsors:** Senators Lovick, Chapman, Gildon, Riccelli, Saldaña, Trudeau, Wagoner and Wilson, J..

**Brief History:**

**Committee Activity:** Transportation: 1/22/26.

### Brief Summary of Bill

- Requires the Department of Licensing (DOL) to establish an accessible online verification of motor vehicle insurance system, and requires all motor vehicle liability insurers to provide policy information to the system.
- Authorizes DOL to test or pilot the verification system without any enforcement action for 12 months before full statewide implementation.
- Requires DOL to verify proof of financial responsibility through the verification system or other means at the time of vehicle registration renewal and withhold such renewal until proof of financial responsibility is verified.
- Expands driver licensing technology support account expenditures to cover verification system costs.
- Clarifies that failing to provide proof of motor vehicle insurance to law enforcement is a secondary infraction.

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## SENATE COMMITTEE ON TRANSPORTATION

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Brandon Popovac (786-7465)

**Background:** Proof of Financial Responsibility. No person may operate a motor vehicle required to be registered in the state unless the person is insured under a motor vehicle liability policy, self-insured, covered by a certificate of deposit, or covered by a liability bond.

A motor vehicle liability policy or bond must be issued by an insurance or surety company authorized to do business in the state. The policy or bond must provide a minimum coverage level of \$25,000 for bodily injury or death of a single person in any one accident, \$50,000 for bodily injury or death of two or more people in any one accident, and \$10,000 for injury to or destruction of property of others in any one accident.

In lieu of the liability insurance or bond, a person may be self-insured or be covered by a certificate of deposit subject to certain requirements.

Proof of liability insurance or the equivalent for motor vehicle operation must be provided at the request of a law enforcement officer. Failure to provide such proof upon request is a traffic infraction and subject to a base penalty of \$250 with any additional fees or community restitution.

The Department of Licensing (DOL) must notify motor vehicle owners of liability insurance and proof of financial responsibility requirements at the time of issuance of an original motor vehicle registration and registration renewal.

Driver Licensing Technology Support Account. The Driver Licensing Technology Support Account is an appropriated account created in the Highway Safety Fund. Four dollars of a \$24 additional penalty on certain traffic infractions are deposited into the account. Account expenditures may be used only for supporting information technology systems used by DOL to communicate with the judicial information system, manage driving records, and implement court orders.

**Summary of Bill:** DOL must establish an accessible common-carrier based system for online verification (verification system) of motor vehicle liability insurance or other financial responsibility. The verification system must:

- be accessible, upon request, to authorized DOL personnel, the courts, law enforcement, and insurers for compliance purposes;
- be interfaced with existing state data systems where appropriate;
- send requests to insurers for verification of motor vehicle liability insurance through insurer web services, the internet, or a similar electronic system as required in rule; and
- include information enabling DOL to make requests for proof of financial responsibility to insurers through use of multiple data elements for greater matching accuracy, including North American Industry Classification codes, vehicle

identification number, policy number, or as described in rule.

DOL must secure verification system data against unauthorized access and maintain historical records of system data between 6 to 12 months from the date of a request and response. The verification system and an insurer's data system must respond to each request within a time period as established in rule. DOL may offer insurers who write fewer policies another method for reporting insurance policy data.

DOL may contract with a private service provider who has successfully implemented similar verification systems in other states to help establish and maintain the verification system. DOL must consult with insurance industry representatives and private service providers to determine the objectives, details, and deadlines related to the verification system. DOL must also publish for comment, then issue, a detailed guide of its verification system. DOL and its private service provider, if any, must each maintain a contact person for insurers during the establishment, implementation, and operation of the verification system.

All motor vehicle liability insurers must provide policy information to the verification system as required in rule, except for commercial motor vehicle liability insurers who may voluntarily participate in the verification system. If participating, insurers must provide commercial motor vehicle operators with the means to show the vehicle is insured under a commercial motor vehicle liability insurance policy, like an insurance identification card. All insurers required to participate must maintain a historical record of verification system data for no more than six months from the date of a request and response. Such insurers may use a third-party vendor and are immune from civil and administrative liability, to comply with verification system requirements.

DOL may test or pilot the verification system within the first 12 months of the effective date of the act without taking any enforcement action or imposing penalties. By April 1, 2029, the verification system must be installed and fully operational. By April 1, 2028, DOL must adopt rules necessary to implement the verification system and consider guidelines and standards developed by the insurance industry committee on motor vehicle administration.

Beginning April 1, 2029, DOL must verify if a vehicle owner has motor vehicle liability insurance or proof of other financial responsibility at the time of registration renewal for vehicles subject to proof of financial responsibility requirements:

- through use of the verification system;
- by in-person presentation of the vehicle owner's insurance card, or other proof, to a licensing agent; or
- by physical or electronic receipt of a copy of proof of financial responsibility accompanying a vehicle registration renewal.

Revenues to the Driver Licensing Technology Account may be expended to support initial and ongoing costs of the verification system.

By October 1, 2030, DOL, after consultation with insurers, must report to the Legislature on verification system costs incurred by DOL, by participating insurers, and by the public, and the effectiveness of the verification system in reducing the number of uninsured motor vehicles.

Failing to provide proof of motor vehicle insurance upon request of a law enforcement officer is clarified as a secondary infraction and may only be accomplished when the driver has been detained for a suspected violation of a separate traffic infraction or equivalent local ordinance.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill contains several effective dates. Please refer to the bill.

**Staff Summary of Public Testimony:** PRO: Nineteen other states employ an online insurance verification system similar to the system proposed in the bill. Approximately 20 percent of drivers are uninsured. According to reports, Washington state experienced the single highest uninsured driver rate increase in the nation between 2020 and 2025. Uninsured drivers create higher insurance deductibles and losses, and uninsured motorist coverage is becoming more expensive. The bill ensures drivers meet their financial obligations with increased compliance, and is cost-effective to ensure such compliance. Law enforcement is often challenged at verifying proof of valid insurance since some drivers use fraudulent insurance cards or other methods. The bill would reduce unnecessary court visits for drivers to prove their insurance status.

OTHER: Vehicle licensing subagents are supportive of the bill's intent and want to be constructive partners in verification system and bill implementation since overall workloads might increase. County auditors support the bill and only have concerns regarding operations and implementation. The testing pilot ramp up is appreciated with hopes that DOL is adequately funded to implement the verification system in partnership with county auditors.

**Persons Testifying:** PRO: Senator John Lovick, Prime Sponsor; Brian Allen, Grange Insurance Association; Dan McGrady, PEMCO Insurance; Kenton Brine, Northwest Insurance Council; James McMahan, WA Assoc Sheriffs & Police Chiefs.

OTHER: Thad Duvall, Douglas County Auditor/Licensing Co-Chair Washington Association of County Auditors; Marian Dacca, Washington Association of Vehicle Subagents.

**Persons Signed In To Testify But Not Testifying:** No one.