

HOUSE BILL 2439

By Dean

AN ACT to amend Tennessee Code Annotated, Title 55, Chapter 12; Title 55, Chapter 3; Title 55, Chapter 4 and Title 56, relative to verification of financial responsibility of motor vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-3-103(d), is amended by designating the existing language as subdivision (1) and by adding the following language, to be designated as new subdivision (2):

(2) On and after January 1, 2013, no certificate of title shall be issued to any motor vehicle unless the county clerk or the department of revenue receives satisfactory proof that the motor vehicle is subject to a policy of insurance that provides financial responsibility required by chapter 12 of this title. For purposes of this subdivision (d)(2), "satisfactory proof" means information obtained from the records or database of the department of revenue regarding the owner's insurance coverage, which information is derived from notice provided to the department pursuant to § 55-12-141.

SECTION 2. Tennessee Code Annotated, Section 55-4-101(d), is amended by adding the following as new subdivision (3):

(3) On and after January 1, 2013, no registration shall be issued or renewed unless the county clerk or commissioner receives satisfactory proof that the motor vehicle is subject to a policy of insurance that provides financial responsibility required by chapter 12 of this title. For purposes of this subdivision (d)(3), "satisfactory proof" means information obtained from the records or database of the department of revenue regarding the owner's insurance

coverage, which information is derived from notice provided to the department pursuant to § 55-12-141.

SECTION 3. Tennessee Code Annotated, Section 55-12-139, is amended by deleting subsection (b) in its entirety and by substituting instead the following:

(b)

(1)

(A) At the time the driver of a motor vehicle is charged with any violation under chapters 8 and 10, parts 1-5, and chapter 50 of this title; any other local ordinance regulating traffic; or at the time of an accident for which notice is required under § 55-10-106, the officer shall obtain information from the records or database of the department of revenue to verify whether the required financial responsibility is maintained and currently effective, which information is derived from notice provided to the department pursuant to § 55-12-141.

(B) Insurance coverage information from the records or database of the department shall be prima facie evidence of the facts stated therein and shall be admissible as evidence of the maintenance of or failure to maintain financial responsibility in any action at law for purposes of this section.

(C) If the officer cannot reasonably access the records or database as required by subdivision (b)(1)(A), the officer shall request evidence of financial responsibility as defined by subdivision (b)(2).

(2) In case of an accident for which notice is required under § 55-10-106, the officer shall request evidence of financial responsibility from all drivers involved in the accident, without regard to apparent or actual fault.

(3) For the purposes of this subsection (b), "evidence of financial responsibility" means:

(A) Documentation, such as the declaration page of an insurance policy, an insurance binder, or an insurance card from an insurance company authorized to do business in Tennessee, stating that a policy of insurance meeting the requirements of this chapter, has been issued;

(B) A certificate, valid for one (1) year, issued by the commissioner of safety, stating that a cash deposit or bond in the amount required by this chapter, has been paid or filed with the commissioner, or has qualified as a self-insurer under § 55-12-111; or

(C) The motor vehicle being operated at the time of the violation was owned by a carrier subject to the jurisdiction of the department of safety or the interstate commerce commission, or was owned by the United States, this state or any political subdivision thereof, and that such motor vehicle was being operated with the owner's consent.

SECTION 4. Tennessee Code Annotated, Title 55, Chapter 12, Part 1, is amended by adding the following as new § 55-12-141:

55-12-141.

(a) Any insurance company licensed to do business in this state and seeking to provide a policy which fulfills the financial responsibility requirements of this chapter shall electronically transmit to the department of revenue:

(1) Confirmation of any such policy or policy renewal sold; and

(2) Notice of cancellation or termination of any such policy.

(b) Insurance coverage information included in the notice of policy issuance or renewal shall include the name of the insurer; owner's name; vehicle identification

number; the make, model and year of the insured motor vehicle; and policy effective dates. The vehicle identification number shall be the vehicle identification number as that number is shown in the records of the department of revenue.

(c)

(1) The department of revenue shall prescribe the form and manner of electronic transmission and is authorized to contract with a private entity for the compiling and maintenance of the information required by this section. The department is authorized to establish an electronic compliance database containing the information required by this section, or to enter the information in motor vehicle records or the computerized titling and registration system.

(2) A match is based upon the vehicle identification number as recorded on the department's motor vehicle records. When the vehicle identification number does not match the department's motor vehicle records, the department shall notify the insurer and the insurer shall, within thirty (30) days from receipt of the returned error, correct the vehicle identification number and resubmit the transaction.

(3) After receipt of the department's notice, if the insurer determines that the vehicle identification number that it submitted to the department is the accurate number on the insured vehicle, then the insurer shall so notify the department and the owner of the vehicle.

(4) Upon notification, the owner shall, in a manner prescribed by the commissioner, make a correction of such number at the appropriate county clerk office.

(d) The information and any system or database shall be made readily accessible in an electronic format for the use of county clerks and employees of law

enforcement agencies and the department of safety to verify compliance with this chapter and to issue or renew certificates of titles and registrations. Such personnel shall enter the vehicle identification number in the record, system or database to access the information, and an insurance coverage indicator shall be made readily available on the record.

(e) Upon the cancellation or termination of any insurance policy that fulfilled the requirements of this chapter, the insurer shall by electronic transmission, within five (5) business days, notify the commissioner of revenue of such cancellation or termination and that to the insurer's knowledge the vehicle no longer meets the requirements of this chapter, and that the registration of the vehicle will automatically terminate in thirty (30) days from the date of such notice unless the requirements are met. Insurance coverage cancellation or termination information included in the notice shall include the vehicle identification number and the date of coverage cancellation or termination.

(f) Upon electronic notification of coverage cancellation or termination by the insurer, the department of revenue shall suspend that person's motor vehicle registration and shall notify the commissioner of safety to suspend the person's license. Any suspension of a license or registration under this subsection shall comply with the notice and hearing requirements of § 55-12-126.

(g) Whenever there is a delay of more than seven (7) days in the electronic transmission of information required by this section, the notice requirement may be satisfied by filing with the county clerk of the county where the vehicle is subject to registration or with the commissioner of revenue a written and notarized certificate of the insurance carrier duly authorized to do business in this state, certifying that there is in effect a motor vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility and furnishing any other necessary information.

(h) The financial responsibility information which the department of revenue is required to maintain under this section are not public records for purposes of title 10, chapter 7, and shall be maintained as confidential by the department; provided, however, that the information may be available for inspection by the insurer of record and the owner of the vehicle in the manner prescribed by the commissioner of revenue.

SECTION 5. The commissioner of revenue and the commissioner of safety are authorized to promulgate rules to effectuate the purposes of this act. All such rules shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 6. For the purpose of promulgating rules by the commissioner of revenue and the commissioner of safety, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes this act shall take effect January 1, 2013, the public welfare requiring it.