

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda--underwritten by global corporations--includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With ALEC EXPOSED, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board --in recent past or present

- AT&T Services, Inc.
• centerpoint360
• UPS
• Bayer Corporation
• GlaxoSmithKline
• Energy Future Holdings
• Johnson & Johnson
• Coca-Cola Company
• PhRMA
• Kraft Foods, Inc.
• Coca-Cola Co.
• Pfizer Inc.
• Reed Elsevier, Inc.
• DIAGEO
• Peabody Energy
• Intuit, Inc.
• Koch Industries, Inc.
• ExxonMobil
• Verizon
• Reynolds American Inc.
• Wal-Mart Stores, Inc.
• Salt River Project
• Altria Client Services, Inc.
• American Bail Coalition
• State Farm Insurance
For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. DO YOU?

Home -> Model Legislation -> Commerce, Insurance, and Economic Development

Online Motor Vehicle Insurance Verification Act

Summary

An Act relating to motor vehicle insurance; providing for the establishment of an online verification system; providing for codification; and providing an effective date.

Legislation

Section 1. {Title} This act may be cited as the Online Verification System

(A) The Department of _____ (hereinafter "Department") shall establish an accessible common carrier based system for online verification of the evidence of vehicle insurance, as specified; requiring motor vehicle insurers to provide policy information for the online verification system, as specified; providing an appropriation; and providing for an effective date. Implementation of an online verification system, including any exceptions as provided for in this Act or in the user guide developed to support the program, supersedes any existing verification system and shall be the sole system used for the purpose of verifying evidence of mandatory liability insurance as prescribed by the laws of the state; provided, however, that this section does not supersede or replace the requirement of [] which requires that any person who operates a motor vehicle in the state of [] have in his or her immediate possession at all times while operating such motor vehicle proper printed evidence of maintenance of the required security in such form as prescribed by the Department under [].

(B) The Department shall adopt by rule and regulation online verification of evidence of insurance as required by this section, subject to the following:

(1) Unless otherwise described herein, the online verification of evidence of insurance system that is adopted shall be the sole and exclusive system for insurers' reporting and verifying evidence of insurance.

[Drafting Note: States having existing insurance company reporting laws will need to repeal those laws and replace them with this system.]

(2) The verification system shall send requests to insurers for verification of evidence of insurance via Web services established by the insurers, through the Internet, World Wide Web or a similar proprietary or common carrier electronic system, in compliance with the specifications and standards of the Insurance Industry Committee on Motor Vehicle Administration (IICMVA), with enhancements, additions, and modification as required by the Department but which do not conflict, nullify, or add requirements that are inconsistent with the specifications and standards of the IICMVA. The system shall include appropriate provisions to secure its data against unauthorized access and shall maintain a historical record of all system requests and responses for a period of at least six months from the date of such requests and responses. The system shall be used for verification of the evidence of mandatory liability insurance coverage as prescribed by the laws of the state and shall be accessible to authorized personnel of the Department, the courts, law enforcement personnel, and any other entities authorized by the state as permitted by state or federal privacy laws, and it shall be interfaced, wherever appropriate, with existing state systems. The system will include information which will enable the Department to make inquiries to insurers of evidence of insurance that is consistent with insurance industry and IICMVA recommendations, specifications and standards by using multiple data elements for greater matching accuracy, specifically: Insurer NAIC (National Association of Insurance Commissioners) company code, Vehicle Identification Number, policy number, or as described in the specifications and standards of the IICMVA. At the discretion of the Department, rules and regulations may be established to offer insurers who write fewer policies an alternative method for reporting insurance policy data instead of establishing Web services.

(3) Consistent with the time periods prescribed by the IICMVA's specifications and standards, the vendor shall be responsible for having its verification system respond to each requestor within a time period as established by the state agencies. An insurer's system shall respond within the time period prescribed by the IICMVA's specifications and standards. The system shall be available to accommodate the time period established.

Did you know that global corporation Kraft Foods served as corporate co-chair in 2011?

(4) When the Department has reason to believe a motor vehicle has been or is currently being operated without insurance, the owner's vehicle registration may be suspended or revoked. The registration may not be reinstated or a new registration may not be issued unless evidence of insurance has been provided to the Department and any applicable reinstatement fees as prescribed by the Department have been paid. These fees are in addition to any other applicable fines, penalties, and fees.

(5) The goal of the system shall be to assist in the identification of uninsured motorists in the most effective way possible.

(6) The Department shall consult with representatives of the insurance industry and private service providers in determining the objectives, details, and deadlines related to the system.

(7) The Department will publish for comment and then issue, a detailed guide of its online verification system.

(8) The Department and its private service provider, if any, each will maintain a contact person for insurers during the establishment, implementation, and operation of the system.

(9) If the Department has reason to believe a vehicle owner does not have valid vehicle insurance as required under [], it may also request an insurer to verify the existence of an automobile liability policy in a form approved by the Department not later than _____ () days from the date the request is made. In addition, insurers shall cooperate with the Department in establishing and maintaining the verification system provided by this section, and shall provide access to motor vehicle insurance policy status information as provided in the rules and regulations established by the Department.

(10) Every property and casualty insurance company that is licensed to issue motor vehicle insurance policies or is authorized to do business in [insert state] shall comply with this section for verification of evidence of vehicle insurance for every vehicle insured by that company in [insert state] as required by the rules and regulations of the department.

(11) Insurers shall maintain a historical record of all system requests and responses for a minimum period of six months from the date of such requests and responses.

(12) Insurers shall be immune from civil and administrative liability for good faith efforts to comply with the terms of this act.

(13) For the purposes of this section, commercial auto coverage is defined as any coverage provided to an insured, regardless of number of vehicles or entity covered, under a commercial coverage form and rated from a commercial manual approved by the Department of Insurance. This section shall not apply to vehicles insured under commercial auto coverage; however, insurers of such vehicles may participate on a voluntary basis.

(14) Insurers shall provide commercial automobile customers with evidence reflecting that the vehicle is insured under a commercial auto policy. Sufficient evidence would be an Insurance Identification card clearly marked in the title with the identifier: "Commercial Auto Insurance Identification Card".

(15) Nothing in this legislation prohibits the Department from contracting with a private service provider or providers who have successfully implemented similar systems in other states to assist in establishing and maintaining this verification system. Nothing in this section prohibits an insurer from using the services of a third party vendor for facilitating the insurance verification program required by this law.

(16) The Department will have the authority to impose a fee of \$_____ on each vehicle (new and renewal) registration. All fees collected shall be deposited in a separate account and shall be used solely for the purpose of the development, implementation, maintenance and enhancement of the online evidence of insurance verification system.

Section 2. {Report on Effectiveness}

Not more than six months after the online insurance verification system has been in operation for two years, the Department, after consultation with law enforcement, other state agencies, and the insurers, shall report to the legislature as to the benefits and the costs of the program for the Department, law enforcement, other state agencies, the insurers and the public and the effectiveness of the program in reducing the number of uninsured motor vehicles.

Section 3. {Effective Date}

This act shall become effective on <_____, 20__>. The verification system shall be installed and fully operational by _____, 20__, following an appropriate testing/pilot period of not less than nine (9) months>. Until the successful completion of the testing/pilot period, no enforcement action shall be taken based on the system.

Exposed

By the Center for
Media and Democracy
www.prwatch.org

Adopted by the Commerce, Insurance, and Economic Development Task Force at the Spring Task Force Meeting on April 23, 2010.

About Us and ALEC EXPOSED. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish www.PRWatch.org, www.SourceWatch.org, and now www.ALECexposed.org. For more information contact: editor@prwatch.org or 608-260-9713.

Center for Media and Democracy's quick summary

This Model Act would mandate registration of all auto insurance in an online registry created by the insurance industry, with the apparent purpose of ensuring that all registered drivers in the state carry auto insurance. The Act provides that the state can use the registry to determine if an individual does not have insurance, then suspend drivers' vehicle registrations until they demonstrate they have purchased insurance. It also allows the collection of fees to pay for the insurance industry's online registry (the Insurance Industry Committee on Motor Vehicle Administration, or IICMVA). The potential opportunity for insurers to coordinate prices through the shared registry may raise eyebrows.

This Act's focus on ensuring all consumers comply with auto insurance mandates has a striking resemblance to the individual health insurance mandate that many conservatives oppose in the Affordable Care Act ("Obamacare").