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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 765

February 8, 2007

Authored by Loeffler, Lillie, Atkins, Davnie and Zellers

The bill was read for the first time and referred to the Committee on Commerce and Labor

February 22, 2007

Committee Recommendation and Adoption of Report: To Pass and Read Second Time

May 22, 2007

Pursuant to Rule 4.20, re-referred to the Committee on Commerce and Labor

February 19, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

March 11, 2008

By motion, re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to insurance; requiring development of an electronic database of the
1.3 insurance status of motor vehicles.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **MOTOR VEHICLE INSURANCE DATABASE.**

1.6 Subdivision 1. **Proposal required.** The commissioner of public safety shall
1.7 develop, in consultation with the advisory committee created in subdivision 4 and the
1.8 Office of Enterprise Technology, and present to the legislature no later than December
1.9 1, 2009, a written proposal to create, implement, and administer an electronic database
1.10 system that would provide up-to-date monitoring of the insurance status of each motor
1.11 vehicle required under the laws of this state to be covered by a plan of reparation security
1.12 as defined in Minnesota Statutes, section 65B.43, subdivision 15.

1.13 Subd. 2. **Goals of database system.** The database system must be designed to
1.14 address the following goals:

1.15 (1) reducing the number of uninsured drivers;

1.16 (2) reducing law enforcement and court administration costs;

1.17 (3) coordinating with the database systems of other states to minimize insurance
1.18 industry transition costs; and

1.19 (4) reducing concerns about identity theft.

1.20 Subd. 3. **Features to be included in the proposal.** (a) The database must include
1.21 every vehicle known to be required to be covered by a plan of reparation security, the
1.22 identity of the owner, and its current insurance status.

2.1 (b) The proposal must evaluate the benefits and costs of making the database and
2.2 related procedures identical to, or compatible with, similar databases operating in other
2.3 states.

2.4 (c) The proposal must include a method by which law enforcement officers may
2.5 have immediate electronic access to the database.

2.6 (d) The proposal must include a requirement that insurance companies issuing and
2.7 renewing plans of reparation security promptly provide the necessary information to the
2.8 commissioner regarding issuance and termination of plans of reparation security that
2.9 cover vehicles required to have such coverage. The proposal shall include development
2.10 of a standard format to be used by insurance companies to submit this information
2.11 electronically, preferably one that is in use in other states.

2.12 (e) The proposal must provide for prompt entry of information received by the
2.13 commissioner into the database.

2.14 (f) The proposal must include provisions requiring submission by self-insurers of
2.15 the necessary information regarding the creation and termination of plans of reparation
2.16 security that are self-insurance.

2.17 (g) The proposal must describe and analyze alternative methods of funding the
2.18 startup and ongoing costs of the database and identify increased efficiencies.

2.19 (h) The proposal must include consideration of linkage of this database with other
2.20 law enforcement and motor vehicle databases maintained or used by the commissioner.

2.21 Subd. 4. **Advisory committee.** The Advisory Committee on Electronic Recording
2.22 of Vehicle Insurance is created. The governor shall appoint its members as follows:

2.23 (1) three members representing the vehicle insurance industry, one of which must be
2.24 an insurance agent;

2.25 (2) one member representing the district courts;

2.26 (3) two members representing law enforcement; and

2.27 (4) one member who is a consumer.