

STATE OF NEW YORK

5331

2025-2026 Regular Sessions

IN SENATE

February 20, 2025

Introduced by Sens. BAILEY, ADDABBO -- read twice and ordered printed,
and when printed to be committed to the Committee on Transportation

AN ACT to amend the vehicle and traffic law, in relation to establishing
an online insurance verification system for motor vehicle insurance;
and to repeal certain provisions of such law relating to motor vehicle
insurance and funds for a certain pilot database system

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

- 1 Section 1. Subdivision 1 of section 312-a of the vehicle and traffic
2 law, as amended by chapter 781 of the laws of 1983, is amended to read
3 as follows:
- 4 1. Upon issuance of an owner's policy of liability insurance or other
5 financial security required by this chapter, an insurer shall issue
6 proof of insurance in accordance with the regulations promulgated by the
7 commissioner [~~pursuant to paragraph (b) of subdivision two of section~~
8 ~~three hundred thirteen of this article~~].
- 9 § 2. Subdivision 2 and paragraphs (a), (b), (c), (d), (f), (g), (h),
10 and (i) of subdivision 4 of section 313 of the vehicle and traffic law
11 are REPEALED.
- 12 § 3. Subdivision 3 of section 313 of the vehicle and traffic law, as
13 amended by chapter 781 of the laws of 1983, is amended to read as
14 follows:
- 15 3. A cancellation or termination for which notice is required to be
16 filed with the commissioner [~~pursuant to subdivision two of this~~
17 ~~section~~] shall not be effective with respect to persons other than the
18 named insured and members of the insured's household until the insurer
19 has filed a notice thereof with the commissioner or until another insur-
20 ance policy covering the same risk has been procured, except that a
21 notice filed with the commissioner, in the format prescribed by the
22 commissioner, [~~within the period prescribed in subdivision two of this~~
23 ~~section~~] shall be effective as of the date certified therein, regardless

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 of whether a suspension order is issued pursuant to section three
2 hundred eighteen of this article. A receipt from the department stating
3 that a notice of termination has been filed shall be deemed conclusive
4 evidence of such filing. An insurer shall cooperate with the commission-
5 er in attempting to identify persons not in compliance with this article
6 in cases where the information reported by the insurer does not corre-
7 spond with records maintained by the department.

8 § 4. The vehicle and traffic law is amended by adding a new section
9 312-b to read as follows:

10 § 312-b. Online insurance verification system of motor vehicle insur-
11 ance. 1. The commissioner shall establish a system for the online
12 verification of insurance. Information available in the online insurance
13 verification system shall be provided by motor vehicle insurers pursuant
14 to rules and regulations promulgated by the commissioner.

15 2. The online insurance verification system shall include, at a mini-
16 mum, the ability to:

17 (a) send requests to insurers for verification of evidence of insur-
18 ance via web services, through the internet, or a similar proprietary or
19 common carrier electronic system, as well as receive from insurers
20 verification of evidence of insurance in a form and manner as determined
21 by the commissioner;

22 (b) include appropriate provisions to secure data against unauthorized
23 access;

24 (c) be utilized for verification of the evidence of mandatory liabil-
25 ity insurance coverage as prescribed by the laws of the state and shall
26 be accessible to authorized personnel of the department, the courts, law
27 enforcement and other entities authorized by the state as permitted by
28 any state or federal privacy laws, and the online insurance verification
29 system shall be interfaced, wherever appropriate, with existing or
30 future state systems, in a form and manner as determined by the commis-
31 sioner;

32 (d) include information which shall enable the department to make
33 inquiries to insurers for evidence of insurance including but not limit-
34 ed to vehicle identification numbers and policy numbers; and

35 (e) respond to each request for insurance information within an amount
36 of time determined by the commissioner and the online insurance verifi-
37 cation system shall be capable of responding within the time estab-
38 lished.

39 3. The commissioner, in conjunction with the superintendent of state
40 police and local law enforcement officials, shall formulate a means to
41 allow the online insurance verification system to be easily accessible
42 to on-duty law enforcement personnel in the performance of their offi-
43 cial duties for the purpose of verifying whether an operator of a motor
44 vehicle maintains proper insurance coverage and to increase compliance
45 with the motor vehicle financial security laws under this article and
46 article eight of this title.

47 4. Nothing in this section shall prohibit the commissioner from
48 contracting with a private sector provider or providers to implement the
49 requirements of this section or to assist in establishing and maintain-
50 ing such system in this state.

51 5. The online insurance verification system shall undergo an appropri-
52 ate testing and pilot period of not less than one year, after which the
53 commissioner may certify that such system is fully operational.

54 § 5. The vehicle and traffic law is amended by adding a new section
55 312-c to read as follows:

1 § 312-c. Insurer responsibilities for the online insurance verifica-
2 tion system. 1. Insurers shall provide access to motor vehicle insurance
3 policy status information as provided by, and consistent with any time
4 frames established by, any rules and regulations promulgated by the
5 commissioner.

6 2. Every insurer that is licensed to issue motor vehicle insurance
7 policies or is authorized to do business in the state shall comply with
8 this section and section three hundred twelve-b of this article for
9 verification of evidence of vehicle insurance for every vehicle insured
10 by that insurer in the state as required by the rules and regulations
11 promulgated by the commissioner.

12 § 6. Paragraph (d) of subdivision 3 of section 317 of the vehicle and
13 traffic law is REPEALED.

14 § 7. This act shall take effect immediately; provided, however, that
15 sections one, two, and three of this act shall take effect when the
16 online insurance verification system is installed and fully operational
17 pursuant to subdivision 5 of section 312-b of the vehicle and traffic
18 law, as added by section four of this act, as certified by the commis-
19 sioner of the department of motor vehicles; provided that the commis-
20 sioner of the department of motor vehicles shall notify the legislative
21 bill drafting commission upon the occurrence of the enactment of the
22 legislation provided for in sections one, two and three of this act in
23 order that the commission may maintain an accurate and timely effective
24 data base of the official text of the laws of the state of New York in
25 furtherance of effectuating the provisions of section 44 of the legisla-
26 tive law and section 70-b of the public officers law. Effective imme-
27 diately, the addition, amendment and/or repeal of any rule or regulation
28 necessary for the implementation of this act are authorized to be made
29 and completed on or before such effective date.