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 Assembly, do enact as follows:

Section 1. Subdivision 1 of section 312-a of the vehicle and traffic law, as amended by chapter 781 of the laws of 1983, is amended to read as follows:

1. Upon issuance of an owner's policy of liability insurance or other financial security required by this chapter, an insurer shall issue proof of insurance in accordance with the regulations promulgated by the commissioner [~~pursuant to paragraph (b) of subdivision two of section three hundred thirteen of this article~~].

§ 2. Subdivision 2 and paragraphs (a), (b), (c), (d), (f), (g), (h), and (i) of subdivision 4 of section 313 of the vehicle and traffic law are REPEALED.

§ 3. Subdivision 3 of section 313 of the vehicle and traffic law, as amended by chapter 781 of the laws of 1983, is amended to read as follows:

3. A cancellation or termination for which notice is required to be filed with the commissioner [~~pursuant to subdivision two of this section~~] shall not be effective with respect to persons other than the named insured and members of the insured's household until the insurer has filed a notice thereof with the commissioner or until another insurance policy covering the same risk has been procured, except that a notice filed with the commissioner, in the format prescribed by the commissioner, [~~within the period prescribed in subdivision two of this 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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of whether a suspension order is issued pursuant to section three hundred eighteen of this article. A receipt from the department stating that a notice of termination has been filed shall be deemed conclusive evidence of such filing. An insurer shall cooperate with the commissioner in attempting to identify persons not in compliance with this article in cases where the information reported by the insurer does not correspond with records maintained by the department.

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

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

2. The online insurance verification system shall include, at a minimum, the ability to:

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

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

(c) be utilized 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 and other entities authorized by the state as permitted by any state or federal privacy laws, and the online insurance verification system shall be interfaced, wherever appropriate, with existing or future state systems, in a form and manner as determined by the commissioner;

(d) include information which shall enable the department to make inquiries to insurers for evidence of insurance including but not limited to vehicle identification numbers and policy numbers; and

(e) respond to each request for insurance information within an amount of time determined by the commissioner and the online insurance verification system shall be capable of responding within the time established.

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

4. Nothing in this section shall prohibit the commissioner from contracting with a private sector provider or providers to implement the requirements of this section or to assist in establishing and maintaining such system in this state.

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

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

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

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

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

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