

By: Representative Chism

To: Insurance;
Transportation

HOUSE BILL NO. 254

1 AN ACT TO AMEND SECTION 63-15-4, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE DEPARTMENT OF PUBLIC SAFETY TO IMPLEMENT A MOTORIST
3 IDENTIFICATION DATABASE PROGRAM FOR THE PURPOSE OF IDENTIFYING
4 UNINSURED MOTORISTS IN THIS STATE; TO REQUIRE A RANDOM SAMPLING OF
5 VEHICLE REGISTRANTS TO RESPOND TO AN INSURANCE QUESTIONNAIRE
6 SHOWING PROOF OF LIABILITY INSURANCE AS REQUIRED BY THE MOTOR
7 VEHICLE SAFETY RESPONSIBILITY ACT; TO AUTHORIZE SUSPENSION OF
8 VEHICLE REGISTRATION IF THE REGISTRANT FAILS TO TIMELY RESPOND TO
9 THE QUESTIONNAIRE OR IF THE REGISTRANT DOES NOT SHOW PROOF OF
10 LIABILITY INSURANCE; TO AUTHORIZE A FEE FOR THE REINSTATEMENT OF A
11 VEHICLE REGISTRATION SUSPENDED PURSUANT TO THIS ACT; TO PROVIDE
12 THAT A PORTION OF SUCH REINSTATEMENT FEE SHALL BE DEPOSITED INTO A
13 SPECIAL FUND IN THE STATE TREASURY; TO PROVIDE THAT MONIES IN SUCH
14 SPECIAL FUND MAY BE USED BY THE DEPARTMENT OF INSURANCE, UPON
15 APPROPRIATION BY THE LEGISLATURE, FOR THE PURPOSE OF ASSISTING THE
16 MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION IN DEFRAYING
17 EXPENSES AND COSTS FOR REINSURANCE; TO PROVIDE THAT THE
18 MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION MAY USE SUCH FUNDS
19 FOR THE PURPOSE OF DEFRAYING EXPENSES AND COSTS FOR REINSURANCE;
20 AND FOR RELATED PURPOSES.

21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

22 **SECTION 1.** Section 63-15-4, Mississippi Code of 1972, is
23 amended as follows:

24 63-15-4. (1) The following vehicles are exempted from the
25 requirements of this section:

26 (a) Vehicles exempted by Section 63-15-5;

27 (b) Vehicles for which a bond or a certificate of
28 deposit of money or securities in at least the minimum amounts
29 required for proof of financial responsibility is on file with the
30 department;

31 (c) Vehicles that are self-insured under Section
32 63-15-53; and

33 (d) Implements of husbandry.

34 (2) (a) Every motor vehicle operated in this state shall
35 have an insurance card maintained in the vehicle as proof of
36 liability insurance that is in compliance with the liability

37 limits required by Section 63-15-3(j). The insured parties shall
38 be responsible for maintaining the insurance card in each vehicle.

39 (b) An insurance company issuing a policy of motor
40 vehicle liability insurance as required by this section shall
41 furnish to the insured an insurance card for each vehicle at the
42 time the insurance policy becomes effective.

43 (3) Upon stopping a motor vehicle at a roadblock where all
44 passing motorists are checked as a method to enforce traffic laws
45 or upon stopping a motor vehicle for any other statutory
46 violation, a law enforcement officer, who is authorized to issue
47 traffic citations, shall verify that the insurance card required
48 by this section is in the motor vehicle. However, no driver shall
49 be stopped or detained solely for the purpose of verifying that an
50 insurance card is in the motor vehicle unless the stop is part of
51 such roadblock.

52 (4) Failure of the owner or the operator of a motor vehicle
53 to have the insurance card in the motor vehicle is a misdemeanor
54 and, upon conviction, is punishable by a fine of Five Hundred
55 Dollars (\$500.00) and suspension of driving privilege for a period
56 of one (1) year or until the owner of the motor vehicle shows
57 proof of liability insurance that is in compliance with the
58 liability limits required by Section 63-15-3(j). Fraudulent use
59 of an insurance card shall be punishable in accordance with
60 Section 97-7-10. The funds from such fines shall be deposited in
61 the State General Fund in the State Treasury. However, if such
62 fines are levied in a municipal court, twenty-five percent (25%)
63 of the funds from such fines shall be deposited in the general
64 fund of the municipality. If such fines are levied in any of the
65 courts of the county, twenty-five percent (25%) of the funds from
66 such fines shall be deposited in the general fund of the county.

67 (5) If, at the hearing date or the date of payment of the
68 fine, the motor vehicle owner shows proof of motor vehicle
69 liability insurance in the amounts required by Section 63-15-3(j),

70 the fine shall be reduced to One Hundred Dollars (\$100.00). If
71 the owner shows proof that such insurance was in effect at the
72 time of citation, the case shall be dismissed as to the defendant
73 with prejudice and all court costs shall be waived against the
74 defendant.

75 (6) (a) The Department of Public Safety shall implement a
76 motorist identification database program for the purpose of
77 identifying uninsured motorists in this state. The Department of
78 Public Safety may contract with a private vendor to implement the
79 program. Such vendor shall have experience in managing state
80 liability insurance programs and in managing large-scale data
81 management services. The Commissioner of Public Safety, or his
82 designee, shall convene a work group consisting of representatives
83 of the insurance industry, the Department of Insurance and the
84 Department of Public Safety to develop a plan for the program.
85 The Department of Public Safety shall be responsible for
86 requesting any appropriate information from insurance companies on
87 a recurring basis necessary to compile and maintain the database.
88 All insurance companies issuing a policy of motor vehicle
89 liability insurance as required by this section shall cooperate
90 with the Department of Public Safety to maintain up-to-date
91 information needed for the database. The Commissioner of
92 Insurance shall notify the Department of Public Safety when a
93 motor vehicle liability insurer ceases to do business in
94 Mississippi.

95 (b) The Commissioner of Public Safety shall prescribe
96 rules and regulations for a program under which a random sampling
97 of registered noncommercial vehicles occurs and such registrants
98 are required to respond to an insurance questionnaire showing
99 proof of having liability insurance as required by this section.
100 Insurance companies shall substantiate or deny any registrant's
101 claim to having liability insurance with that company in the
102 manner prescribed by the Commissioner of Public Safety. If the

103 registrant fails to respond with valid information within thirty
104 (30) days from receipt of the questionnaire, a registration
105 suspension notice shall be mailed to the registrant who shall have
106 fifteen (15) business days from receipt of the notice to respond.
107 If the registrant fails to respond within the required time period
108 or if his response fails to show proof of liability insurance as
109 required by this section, his vehicle registration shall be
110 suspended and a fee in the amount of Five Hundred Dollars
111 (\$500.00) shall be charged to reinstate the registration; however,
112 if the registrant shows proof of liability insurance within thirty
113 (30) days after the date the vehicle registration is suspended,
114 the charge to reinstate the registration shall be reduced to Fifty
115 Dollars (\$50.00). The registrant whose registration has been
116 suspended may make a written request, within ten (10) days after
117 receipt of notice of the suspension, to the Department of Public
118 Safety for a hearing and such request shall operate as a stay of
119 any suspension pending the outcome of the hearing. The hearing
120 officer shall review the merits of the suspension and make a
121 determination on its status. Any person whose suspension has been
122 sustained shall have the right to appeal in a court of proper
123 jurisdiction. However, the suspension shall not be stayed by the
124 Department of Public Safety or any court while the appeal is
125 pending. No vehicle registration may be renewed or transferred
126 while it is in a suspended condition. Reinstatement fees
127 collected under this subsection shall be deposited into the
128 special fund created under Section 2 of House Bill No. ____, 2007
129 Regular Session; provided, however, that five percent (5%) of the
130 collected fees shall be deposited into a special fund hereby
131 created and named the "Motorist Identification Database Fund" to
132 be used by the Department of Public Safety to administer this
133 subsection.

134 (c) This subsection (6) shall stand repealed from and
135 after July 1, 2010.

136 **SECTION 2.** (1) (a) There is created in the State Treasury
137 a special fund to be designated as the "Mississippi Windstorm
138 Underwriting Association Assistance Fund." The fund shall consist
139 of monies deposited therein as provided under Section 63-15-4(6)
140 and monies from any other source designated for deposit into such
141 fund. Unexpended amounts remaining in the fund at the end of a
142 fiscal year shall not lapse into the State General Fund, and any
143 interest earned or investment earnings on amounts in the fund
144 shall be deposited to the credit of the fund.

145 (b) Monies in the special fund may be used by the
146 Department of Insurance, upon appropriation by the Legislature,
147 only for the purpose of assisting the Mississippi Windstorm
148 Underwriting Association in defraying expenses and costs for
149 reinsurance under Section 83-34-1 et seq. The Mississippi
150 Windstorm Underwriting Association may use any such funds received
151 from the Department of Insurance for the sole purpose of defraying
152 expenses and costs for reinsurance. Monies in the fund used for
153 the purposes described in this paragraph (b) shall be in addition
154 to other funds available from any other source for such purposes.

155 **SECTION 3.** This act shall take effect and be in force from
156 and after July 1, 2007.