

SENATE BILL REPORT

SB 5095

As Reported by Senate Committee On:
Financial Institutions, Housing & Insurance, January 29, 2013

Title: An act relating to providing proof of financial responsibility for motor vehicle operation.

Brief Description: Providing proof of financial responsibility for motor vehicle operation.

Sponsors: Senators Roach, Tom, Rivers, Becker, Holmquist Newbry, Schoesler, Ericksen, Padden, Bailey, Hill and Honeyford.

Brief History:

Committee Activity: Financial Institutions, Housing & Insurance: 1/24/13, 1/29/13 [DPS].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

Majority Report: That Substitute Senate Bill No. 5095 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hobbs, Chair; Benton, Ranking Member; Fain, Hatfield, Mullet, Nelson and Roach.

Staff: Edward Redmond (786-7471)

Background: Persons operating vehicles in Washington are required to carry proof that they are covered by a motor vehicle liability insurance policy, self-insurance, a certificate of deposit, or a liability bond. Insurance companies that issue or renew motor vehicle liability insurance policies must provide the policyholder with an insurance identification card.

Failure to provide proof of insurance when requested to do so by a law enforcement officer creates a presumption that the person does not have insurance. Failure to provide proof of insurance is a traffic infraction.

Summary of Bill (Recommended Substitute): The options for providing proof of insurance are expanded. A policyholder may provide proof of insurance to a law enforcement officer either through information displayed on a card or on a portable electronic device. If a policyholder provides a portable electronic device for proof of insurance, the policyholder assumes all liability for any damage to the portable electronic device while in the possession of the law enforcement officer.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The viewing of content on a portable electronic device is limited. A law enforcement officer may only use the portable electronic device to view and verify proof of insurance and is restricted from viewing or browsing for other content on the portable electronic device.

EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS, HOUSING & INSURANCE COMMITTEE (Recommended Substitute): Provides that when a person uses a portable electronic device for proof of insurance, the law enforcement officer may only view the proof of insurance and is restricted from viewing other content on the portable electronic device. Provides that when a person gives the portable electronic device to an officer for proof of insurance, the person assumes all liability for any damage to the portable electronic device. Clarifies that an insurance company may provide a policyholder with a card in either paper or electronic format including images displayed on a cellular phone or any other type of portable electronic device.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: This is forward thinking legislation that utilizes advancements in technology to provide proof of insurance. This is also a crime prevention bill; it will help prevent identity theft that can occur by leaving your insurance information in your glove compartment. Property Insurance of America is in support of this bill. This bill is directly on point with the industry model. The model bill also addresses two significant pieces. First, it addresses what the officer can view on the device. It specifically limits the viewing of content for insurance verification. Second, it deals with liability issues. If the driver chooses to use this as a form of verification, they assume liability for any damage caused to the phone. Finally, another section in the RCW is amended to provide clarity as to what can be used for insurance verification.

OTHER: The Washington State Patrol (WSP) does not have an official position on the bill, only general comments. One concern deals with liability when the electronic device is given to the officer. These devices may be expensive; when they are handed over to the officer they may be exposed to inclement weather conditions or damaged when handled. Inadvertent viewing of information on devices is another concern. Finally, the officer's safety is a primary concern for WSP. If these devices are given for proof of insurance, it could draw the officer's attention away from the violator and the roadside.

American Insurance Association supports the concept behind the bill. Oregon and California have similar legislation the committee should look at as models. There is also an industry model bill that we can support.

Persons Testifying: PRO: Senator Roach, prime sponsor; Mel Sorenson, Property Causality Insurance of America.

OTHER: Captain Rob Huss, WSP; Cliff Webster, American Insurance Assn.