

S.5331-A (Bailey) / A.4404-A (Weprin)

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BILL S.5331-A (Bailey) / A.4404-A (Weprin)
SUBJECT Online Insurance Verification System for Auto Coverage
DATE June 12, 2025
SUPPORT

The Business Council strongly supports S.5331-A (Bailey) / A.4404-A (Weprin) which establishes an online insurance verification (OLV) system for automobile insurance. This legislation will positively impact all New York motorists.

New York's current auto insurance verification system is antiquated and prone to error as it relies on stale technology and manual processing for both insurers and the Department of Motor Vehicles. This leads to an increased likelihood that a driver could be identified as uninsured during a routine traffic stop which has severe economic and personal impacts. In fact, according to 2020 reports, New York's current insurance verification system has a 17% data-match failure rate. This means that 17% of motorists could be viewed as uninsured motorists by law enforcement (during a traffic stop) or DMV, when in reality, they are legally and fully insured motorists. When a driver is identified as uninsured during a traffic stop, they could face misdemeanor charges, have their car impounded, and potentially lose their license. Too many drivers are falsely accused of not having adequate auto insurance because the system contains erroneous or outdated information.

OLV systems are more efficient and reliable and allow for real time auto insurance verification, which enables law enforcement to quickly confirm coverage during road stops or accidents and protects motorists from being misidentified as uninsured. OLV systems have been developed, tested, and implemented in 18 states, including California and Illinois, which combined have 18.3 million cars on the road, as compared to 3.1 million in New York. Further, the bill acknowledges the importance of cyber security, requiring the OLV system to secure data against unauthorized access and limits access to only legally authorized agencies to protect motorists' privacy.

Our laws should be focused on creating efficiencies that directly benefit New Yorkers. This is a smart policy that will improve motorists' overall driving experience.

The Business Council enthusiastically supports the passage of S.5331-A (Bailey) / A.4404-A (Weprin) and urges the Legislature to act on this bill before the end of the 2024 session.