



PERMANENT ADMINISTRATIVE ORDER

DMV 31-2020

CHAPTER 735
DEPARTMENT OF TRANSPORTATION
DRIVER AND MOTOR VEHICLE SERVICES DIVISION

FILED
10/26/2020 10:55 AM
ARCHIVES DIVISION
SECRETARY OF STATE
& LEGISLATIVE COUNSEL

FILING CAPTION: Establish and Streamline DMV's Mandatory Insurance Compliance Program by Administrative Rule

EFFECTIVE DATE: 10/26/2020

AGENCY APPROVED DATE: 10/22/2020

CONTACT: Ty Yoder
503-945-5256
ty.m.yoder@odot.state.or.us

DMV Program Services
1905 Lana Avenue NE
Salem, OR 97314

Filed By:
Lauri Kunze
Rules Coordinator

AMEND: 735-050-0080

REPEAL: Temporary 735-050-0080 from DMV 16-2020

NOTICE FILED DATE: 08/06/2020

RULE SUMMARY: Oregon Laws 2019, chapter 312 (SB 57), amends ORS chapter 806 for the purpose of giving DMV the authority to establish the MIC program by administrative rule. DMV will send a notice of verification to all registered owners followed by a notice of suspension to all registered owners of the randomly sampled vehicle. Registered owners will have 60 days to provide proof of compliance with insurance requirements before the suspension of all registered owners' driving privileges goes into effect. The Notice of Suspension can be withdrawn or the suspension can be rescinded when any one of the registered owners provides current proof of compliance with financial responsibility laws.

CHANGES TO RULE:

735-050-0080

Financial Responsibility Verification Program ¶

- (1) ~~The Driver and Motor Vehicle Services Division of the Department of Transportation (DMV) will~~ DMV randomly selects motor vehicles for financial responsibility verification. The total number randomly selected each year will not exceed ten percent of the motor vehicles registered in Oregon that are subject to verification. ¶
- (2) ~~DMV may, in addition, designate persons for ver~~ In addition to randomly selecting motor vehicles under section (1) of this rule, DMV may select persons for verification of financial responsibility requirements if: ¶
- (a) ~~A vehicle is registered to a person who has been convicted of violating ORS 806.010;~~ ¶
- (b) ~~A vehicle is registered to a person who has submitted certifications of compliance with financial responsibility requirements if that have previously been found to be incorrect;~~ or ¶
- (c) DMV has reasonable grounds to believe that the person is in violation of financial responsibility requirements. DMV's determination of reasonable grounds ~~will be~~ based on one or more of the following: ¶
- (a) ~~A~~ Written statements from police, insurance carriers, insurance producers (agents), and the public; ¶
- (b) ~~B~~ Any admission to DMV by the owner of an Oregon-registered vehicle that the vehicle is not insured; ¶

- (c) Receipt by DMV of any record from another jurisdiction that the owner of any Oregon-registered vehicle was convicted of driving uninsured, regardless of the vehicle driven at the time of offense;¶
- (d) Receipt by DMV of any record from another jurisdiction indicating that an Oregon-registered vehicle was driven without insurance, regardless of who was driving the vehicle;¶
- (e) Statements made during an administrative hearing by a driver or owner of a vehicle that the Oregon-registered vehicle was driven while uninsured; ~~or~~¶
- (f) No record of submission from an insurance carrier, pursuant to ORS 742.580, 806.195 and OAR 735-050-0130, that a motor vehicle liability insurance policy has been issued; ~~or~~¶
- (G) No record of submission of proof of compliance with financial responsibility requirements following a reportable accident pursuant to ORS 811.725.¶
- (3) DMV will use a written statement as identified in section (2)(a) of this rule as a basis for a financial responsibility notice of verification request only if the person making the statement does all of the following:¶
- (a) Signs and dates the request;¶
- (b) Identifies the vehicle that the person believes is being operated in violation of financial responsibility requirements; and¶
- (c) Explains why the person believes the vehicle is being operated in violation of financial responsibility requirements and includes facts that would cause a reasonable person to believe the vehicle is being operated in violation of financial responsibility requirements.¶
- (4) DMV will send all registered owners of a selected motor vehicle a notice of verification that the selected vehicle was insured on a specified date. The request for verification will explain that within 30 days of the date DMV sends the notice of verification, at least one registered owner must respond to DMV's notice of verification by:¶
- (a) Certifying that, as of the date specified in the notice, the selected vehicle was in compliance with financial responsibility requirements as described in ORS 806.060 and 806.080; or¶
- (b) Filing an SR-22 insurance certificate.¶
- (5) DMV will suspend the driving privileges or right to apply for driving privileges under ORS 806.220(1)(a) and 809.415(3)(a) of any person who fails to make a future responsibility filing after failing verification or who falsely certifies compliance with financial responsibility requirements.¶
- ~~(5) A person who fails to make a future responsibility filing after failing verification or who falsely certifies compliance with financial responsibility requirements is entitled to a pre-suspension hearing in accordance with ORS 809.440(1) and 809.415. If no pre-suspension hearing is held, a person may be entitled to a post-imposition hearing in accordance with OAR 735-050-0090 by failing to provide sufficient proof of compliance with financial responsibility requirements. Failure to provide sufficient proof of compliance includes but is not limited to:¶~~
- ~~(a) Failing to respond to DMV's notice requesting verification within 30 days of the date DMV sends the notice, as required by section (4) of this rule; ¶~~
- ~~(b) Responding to DMV's notice of verification in a manner leading DMV to determine the vehicle was not in compliance with financial responsibility requirements as of the date of the notice of verification; or ¶~~
- ~~(c) Falsely certifying proof of compliance with financial responsibility requirements.¶~~
- (6) DMV will withdraw the notice of proposed suspension of all registered owners of the selected vehicle upon receipt of proof of compliance from any of the registered owners.¶
- (7) DMV will forward proof of compliance submitted by a registered owner to the listed insurer for the purpose of requesting verification that the proof of compliance provided is correct.¶
- (8) If the information provided by the person is not correct, the insurer must respond to DMV's request to verify the registered owner's proof of compliance within 30 days of the date DMV sends the request to the insurer. ¶
- (9) DMV will issue a Notice of Suspension to all registered owners of the vehicle upon DMV's receipt of notice from an insurer demonstrating that the proof of compliance with financial responsibility requirements under ORS 806.150 and 811.725 is not correct. ¶
- (10) A person who is initially denied coverage by an insurer may provide DMV with additional proof of compliance in the form of an official statement, written on the insurance company's letterhead and signed by an authorized

employee of that insurer, indicating the vehicle was covered as of the date of the verification request. ¶

(11) A person who fails to make a future responsibility filing after failing verification or who falsely certifies compliance with financial responsibility requirements is entitled to a pre-suspension hearing in accordance with ORS 809.440(1) and 809.415. If no pre-suspension hearing is held, a person may be entitled to a post-imposition hearing in accordance with OAR 735-050-0090.¶

(12) DMV may withdraw an SR-22 requirement for a person who responds to DMV's request for verification in a manner leading DMV to determine the selected vehicle was not in compliance with financial responsibility requirements as of the date of the notice of verification, or who was denied coverage by an insurance company, if DMV determines that there is sufficient reason for the vehicle not to be covered by insurance on the date specified on the request. Sufficient reason includes, but is not limited to:¶

(a) The vehicle is covered by a valid liability policy but the policy only covers the vehicle for a specified period or is limited based on mileage;¶

(b) The vehicle was removed from an insurance policy during a period of extended storage; or¶

(c) The vehicle is not operable for an extended period that includes the date specified on the request for verification.¶

(13) DMV's Withdrawal of an SR-22 requirement under a condition described in section (12) of this rule must be supported by:¶

(a) Documents from the insurance carrier indicated in the owner's response to DMV's request for verification;¶

(b) A signed, written statement on the insurance company's letterhead from an employee of the insurance carrier described in the owner's response to DMV's request for verification;¶

(c) Documents, including pictures of the vehicle or receipts from an auto-part store or mechanic, which demonstrate the vehicle was undergoing repairs; or¶

(d) Other documents that DMV determines affirm the owner's assertion that the owner's vehicle meets one of the circumstances described in section (12) of this rule.

Statutory/Other Authority: ORS 814.619, 802.010, 806.150, 806.230, 806.245 & 809.415

Statutes/Other Implemented: ORS 806.150, 806.150, 806.170, 806.220, 809.440 & 809.450