

**PROGRAM DIVISION
BULLETIN**

2002- 03

February 21, 2002

SUMMARY: Proof of Insurance Law

STATE: Georgia

APPLICABILITY: Commercial Automobile

EFFECTIVE DATE: January 1, 2002

Be advised that there is currently an Auto insurance identification (ID) card issue in the state of Georgia, but it does not effect "*commercial vehicle policies*" as defined by Georgia state law.

Introduction

The Georgia State Legislature passed Senate Bill 69 during the 2000 legislative session which changed the law in regard to the validity of insurance identification (ID) cards. This Law provided that as of September 1, 2001, insurance ID cards would no longer be accepted as official proof of insurance for those policies issued to a named insured who is a natural person. Senate Bill 69, which created the "*Georgia's Electronic Insurance Compliance System*" (*GEICS*), authorizes Georgia's Department of Public Safety (DPS) to establish an automated system for each insurer to submit insurance information for vehicles they insure in Georgia. Georgia's GEICS will be jointly operated by the Georgia DPS and the GeorgiaNet Authority.

During the 2001 Georgia State Legislature, the House passed Bill 187 which extended the validity of ID cards through December 31, 2001. Therefore, technically speaking, as of January 1, 2002, ID cards are no longer valid as official proof of insurance in Georgia, for policies issued to "*natural persons*" even though insurers

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are still required to issue auto ID cards pursuant to Georgia Motor Vehicle Code section 40-6-10. **However, ID cards remain valid proof of insurance for vehicles issued under “commercial vehicle policies”.**

The goal of the Georgia DPS is to facilitate licensing, safety programs and compliance with the state’s motor vehicle laws. The GEICS will also provide electronic access to accurate insurance data throughout the state and allow law enforcement officers to verify liability insurance compliance.

The Georgia DPS has not, as of yet, implemented the database system that police departments would access to confirm coverage in lieu of ID cards, nor do we know exactly when this system will be in place. The Georgia State Legislature is scheduled to reconvene on January 14, 2002 and we hope that the matter will be given their immediate attention and quickly resolved.

Unfortunately, the law does not provide vehicle owners with any real guidance on what type of proof of insurance is acceptable between January 1, 2002 and when the database becomes available. Since we will have met our obligations by issuing the policy/ID card(s) in accordance with Georgia Motor Vehicle Code section 40-6-10, we can only suggest to our insured’s what has been suggested to us by the Georgia Department of Motor Vehicle Safety that is, that our insured’s keep both their latest ID card and a copy of their declaration page of their policy, if possible, in each of their insured/registered vehicles. Again, hopefully on January 14 this matter will be resolved by the legislature.

Guidelines Section

According to the *Business Reporting Specifications of the GEICS Implementation Guide*, specifically section 3.4.2, page 11, neither commercial vehicles nor fleet vehicles, as defined by Georgia state law, need to be reported. To clarify, vehicles insured under a “*commercial vehicle policy*”, which is defined by Georgia state law to be a policy of motor vehicle liability insurance not issued to a “*natural person*” which insures a motor vehicle that is rated or insured as a business use or commercial use vehicle or is licensed by the State as a commercial vehicle, are exempt from the reporting requirement.

However, if a Named Insured is a “*natural person*” (an individual rather than a corporation or other legal entity) any policy or vehicle must be reported even if the vehicle would otherwise be exempt from the reporting requirement. For example, if a fleet policy is owned by a person, all vehicles insured under that policy are subject to the electronic reporting requirements. Similarly, if an individual is the registered

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owner of a vehicle and is included as a Named Insured on the policy along with that vehicle, that vehicle information must be reported to GEICS. If the policy is owned by a corporation or other legal entity rather than a person, and the vehicles otherwise meet the legal definitions(s) of commercial vehicle as defined by Georgia state law, electronic reporting is not required and the insurance ID card constitutes lawful proof of insurance.

Recommended Action for Primary Automobile Coverage

Determine whether or not your policy will be subject to GEICS by asking the following questions:

1. Is the Named Insured a *legal entity* and are the vehicles on the policy rated or insured as either a *business use* or *commercial use* vehicle, as defined by Georgia state law? If so, then this policy and these vehicles are **exempt** from GEICS.
2. Is the policy holder is a *natural person* (not a legal entity)? If so, then this policy and these vehicles are **not exempt** from GEICS and must be reported..

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