

**PROGRAM DIVISION  
BULLETIN**

2003-09

March 19, 2003

**STATE:** Arkansas

**APPLICABILITY:** Commercial Automobile

**EFFECTIVE DATE:** Immediately

**SUMMARY:** Proof of Insurance Law – AR DFA MVD Reporting

**SUMMARY**

The Arkansas Department of Finance and Administration - Motor Vehicle Division (DFA MVD), has developed a motor vehicle insurance reporting program to monitor uninsured vehicles in the state. The reporting program was developed pursuant to Section 5 of Act 991 of 1997, and requires insurance carriers to file proof of liability insurance coverage for each registered vehicle afforded coverage in the state. Insurers are required to file, before the seventh day of each month, a listing of all policies in effect as of the previous month. Additionally, carriers are required to file cancellations of coverage, and updates to individuals personal data (name and address). Such data must be filed for each insurance company writing coverage in the State of Arkansas, regardless of whether coverage is written on a schedule-rated or composite-rated basis.

**REPORTING OPTIONS**

1. Non-Vehicle Specific Reporting Option

The insurer may opt for *non-vehicle specific reporting* by only reporting policy level data such as; the name and address of the registrant, the carrier company NAIC code, coverage effective date, etc. This option eliminates the

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need to report vehicle-specific data such as vehicle year, vehicle make, and vehicle identification number (VIN), and should be utilized any time the policy has been issued on a composite rated basis.

HOWEVER, THIS OPTION, IF CHOSEN BY THE INSURER, COULD BE CONSTRUED AS AN INDICATION TO THE ARKANSAS DMV THAT ALL ARKANSAS REGISTERED VEHICLES THAT ARE OWNED BY THE REPORTED REGISTRANT(S) ARE COVERED BY THE POLICY, AND COULD RESULT IN THE COMPANY BEING LIABLE FOR CLAIMS THAT IT HAD NOT ANTICIPATED AND FOR WHICH IT HAD NOT COLLECTED A PREMIUM.

This may not be the underwriter's intent, especially regarding leased vehicles and vehicles registered to individuals covered on the policy.

AIG should not be verifying coverage on these types of exposures on a blanket basis.

## 2. Vehicle-Specific Reporting Option

The insurer may opt for *vehicle-specific reporting*. Under this option, only those specific vehicles reported by the insurer are considered covered under the reported policy. The vehicle-specific reporting option eliminates the challenges that may be presented with leased vehicles and vehicles registered to individuals covered on the policy, and should be utilized in those instances where the policy has been written on a schedule rated basis.

**NOTE:** Vehicle specific reporting must always be utilized in the following cases:

Reporting vehicles registered to a leasing companies.

Reporting vehicles registered to an individual, when only certain vehicles registered to that individual are to be covered under the Commercial Auto Policy.

## 3. "Personal Data" Reporting

In addition to the reporting options mentioned above, carriers must report to the state any time the policyholder's "personal data" changes. Specifically, such reporting should be done when:

A new liability policy is issued

Insurance is reinstated after a lapse in coverage

When name, company name or address information changes

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## UNDERWRITING ACTION

The program administrator must determine which reporting option should be used based on the coverage scenarios described above and complete the corresponding Arkansas Reporting Template. The template must be completed by the program administrator. The program administrator must make sure that ALL data elements requested on the template are completed. Once the program administrator has determined that the template is complete, they will forward it to the DMV Support Unit in Berkeley Heights for processing at [DMVDataEntry@AIG.com](mailto:DMVDataEntry@AIG.com). Attached is the Arkansas reporting template. NOTE: In all cases, the templates should be submitted electronically whenever possible.



AR Reporting  
Template.xls

**Failure to comply with the procedures described herein will result in one or more of the following:**

**The insured may be prevented from registering their vehicle(s).  
Suspension, and/or revocation of the insureds existing vehicle  
registration.  
Fines imposed on AIG.**

**Please contact your Program Manager with questions.**

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