

**PROGRAM DIVISION  
BULLETIN**

**2003-15**

**May 12, 2003**

**STATE: Colorado DMV Reporting**

**APPLICABILITY: Commercial Automobile**

**EFFECTIVE DATE: Immediately**

**Re: Proof of Liability Insurance Law**

**SUMMARY**

Colorado Statue CRS 42-7-601 has been enacted establishing the Colorado Motorist Insurance Identification Database (MIIDB) Program. This bill requires insurance carriers to provide insurance policy data to Explore (the company whom Colorado has contracted with to maintain its automobile database) within a 30 day timeframe. Carriers must report both confirmations of liability coverage, and coverage terminations. The goal of this program is to reduce the number of uninsured motor vehicles operating on Colorado roadways and thus reducing the number of accidents involving such vehicles. The purpose of this program is to: identify insured motorists, assist in the enforcement of motor vehicle liability insurance requirements, and to provide various entities with the online ability to identify insured automobiles. The requirement for insurance carriers to provide proof of coverage applies to all vehicles registered in the state of Colorado, regardless of whether coverage is provided under a composite rated or schedule rated policy.

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**LEXINGTON INSURANCE COMPANY**

**PROGRAM DIVISION**

200 State Street/11th Floor, Boston, MA 02109  
phone 617-330-1100 / fax 617-330-8595

## REPORTING OPTIONS

Colorado's reporting requirement as outlined above, allows for the reporting of coverage on Commercial accounts in two ways:

1. Policy Level Basis. If coverage is provided under a non vehicle specific basis (composite rated policy), it may be reported on a policy level. This option allows coverage to be verified without the need to report vehicle specific data. HOWEVER, THIS OPTION, IF CHOSEN BY THE INSURER, COULD BE CONSTRUED AS AN INDICATION TO THE COLORADO DMV THAT ALL COLORADO 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. A Vehicle Level Basis. If the policy that was issued to the insured is vehicle specific (schedule rated), data should be filed on a vehicle level and include the: Model Year, Make, and the complete VIN of the covered vehicle. This reporting method requires the collection of vehicle specific data for all vehicles registered in Colorado (CO) that are insured by an AIG carrier company. Additionally, when reporting vehicles registered to individuals, CO requires the reporting of driver information which is incorporated in the standard template.

**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.

## UNDERWRITING ACTION

The program administrator must determine which of the two reporting scenarios mentioned above, best suits the verification of coverage for any given account. Once that determination is made, the attached template can be completed for the account in question.

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CO Reporting  
Template.xls

**If liability coverage is being filed on a policy level (composite rated) basis, the program administrator should complete the first tab of the spreadsheet above. If coverage is being reported on a vehicle level (schedule rated) basis, the program administrator should complete the second tab of this spreadsheet. 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. The program administrator will forward the template to the DMV Support Unit in Berkeley Heights for processing at [DMVDataEntry@AIG.com](mailto:DMVDataEntry@AIG.com).**

NOTE: In all cases, the templates should be submitted electronically whenever possible.

**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.**
- **Impoundment of the insured's vehicle(s) and civil penalties incurred by the insured.**
- **Fines imposed on AIG.**

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