

**PROGRAM DIVISION
BULLETIN**

2004-04

January 15, 2004

State: **Virginia**

Applicability: **Commercial Automobile**

Effective Date: **Immediately**

Re: **Virginia Department of Motor Vehicles' (DMV)
Automobile Liability Insurance Reporting Program
– DMV Reporting**

SUMMARY

To protect the interests of all Virginia motorists, the Virginia Department of Motor Vehicles (DMV), in partnership with the insurance industry, administers an Insurance Verification Program to electronically verify the automobile liability insurance on millions of Virginia registered vehicles. This insurance industry resource center provides useful information for the Insurance Industry. The goals of the Insurance Verification Program are to:

- Encourage owners of registered motor vehicles to obtain and maintain automobile liability insurance;
- Identify uninsured motor vehicles prior to accident involvement;
- Reduce paperwork associated with insurance verification process which helps the insurance industry, DMV, and the citizen; and
- Lessen government intrusiveness into the lives of citizens by sending notices only to vehicle owners suspected of being uninsured.

The Electronic Motor Vehicle Insurance Program combined with DMV's three other highly successful insurance monitoring methods, the Suspected Uninsured Accident Report, the Law Enforcement Notification and the Citizen Information/Police Accident Report constitute a highly

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effective insurance verification program, one in which the citizens of Virginia can be proud.

REPORTING REQUIREMENTS

- Reporting must occur at least monthly after bind date, but can occur as often as daily. AIG will report weekly in Virginia.
- Reportable Activity includes New Business, Cancellations, Reinstatements, and Additions.
- Report additions and deletions of vehicles on scheduled vehicle policies.
- Include complete vehicle information including a valid 17 digit VIN when reporting under the vehicle-specific option
- The registrant must match the named insured.
- Filing also includes Motorcycles.
- Filing includes both personal and commercial insurance
- Renewals – Do not submit records for policy renewal purposes, as all policies are “in force” until a cancellation is received.
- Non-Renewals need to be reported as Cancellations.

(Refer to the individual State Templates for a complete list of required data elements for reporting)

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 need to report vehicle-specific data such as vehicle model 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 DMV THAT ALL 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.

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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.

REPORTING OPTIONS (Continued)

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.

Any additions or deletions to a policy reported to the DMV in this manner would have to be reported on an ongoing basis.

UNDERWRITING ACTION

The program administrator must determine which reporting option should be used based on the coverage scenarios described above. Data must be submitted on the corresponding "Standardized DMV Reporting Template". The template must be completed by the program administrator and the program administrator must make sure that ALL data elements requested are supplied on the template. The individual Standardized templates are also available at AccessAIG for program administrators. Also included in the template is a list of AIG Company NAIC codes and NCIC vehicle make codes to assist the broker/insured with the proper completion of the templates for those data elements.

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The program administrator will forward the template to the DMV Support Unit in Berkeley Heights for processing at dmvdataentry@aig.com. When completing the template, please disregard the USER ID columns in the beginning of the template – these are for future use.

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 insureds vehicle(s) and civil penalties incurred by the insured.
- Fines imposed on AIG.

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