

**PROGRAM DIVISION
BULLETIN**

2007-01

January 2, 2007

California Commercial Insurance Notification Form (REG 5085)

While there are no commercial reporting requirements in California, recent statutory changes have mandated that all insurers must electronically report all private-use automobiles to the DMV within 30 days of the issuance of the registration card for either original or transfer applications. Failure to do so will result in suspension. Because this directive broadly pertains to all private-use automobiles, it consequently encompasses **VEHICLES COVERED BY A COMMERCIAL OR BUSINESS POLICY**, not the intent of the law. To address this issue, California has designed a form – the Commercial Insurance Notification form (REG 5085) - that when filed by the insured when registering the private-use vehicle, will identify the vehicle as one covered under a commercial or business policy, and thus be excluded from the suspension program.

Personal vehicles covered by a commercial or business policy which are not registered under a business name may not be identified prior to the Notice of Intent to Suspend being sent. Insureds receiving these notices will simply need to send a copy of their insurance card or declaration page of their commercial policy directly to the Vehicle Registration Financial Responsibility Program prior to the suspension effective date shown on the notice.

California Senate Bill 1500 requires electronic insurance reporting of all private-use automobile liability policies to the Department of Motor Vehicles (DMV). It also established a registration suspension program. SB 1500 does not require commercial lines carriers to electronically report commercial or business insurance policy information to the DMV. However, evidence of insurance must be submitted to DMV within 30 days of the issuance of the registration card for either original or transfer applications, including private-use vehicles covered by a commercial or business policy.

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SB 1500 does not affect the existing registration renewal process. Pursuant to current law, the Department will continue to request evidence of insurance for commercial or business vehicles at the time of the annual registration renewal.

The vehicle registration suspension program will track completed original and transfer transactions to ensure that insurance information is received. If insurance information is not received within 30 days after the transaction, a Notice of Intent to Suspend will be mailed to the customer.

REPORTING REQUIREMENTS

Customers who are registering their vehicles for the first time which are covered by a commercial or business policy will be asked to complete a Commercial Insurance Notification form (REG 5085) and provide proof of insurance at registration.

The DMV has reduced the number of commercial vehicles affected by this legislation by setting up a day-forward (October 1, 2006 and after) process that programmatically excludes vehicles:

- Registered under the Permanent Fleet Registration Program
- Registered under the International Registration Plan
- Registered under the Commercial Vehicle Registration Act of 2001 with a GVW/CGVW of 10,001 pounds or greater.
- Registered under variations of any of the following: corporation, company, incorporation, limited liability corporation (LLC), limited (LTD), or "DBA."

Personal vehicles covered by a commercial or business policy which are not registered under a business name may not be identified prior to the Notice of Intent to Suspend being sent. Customers receiving these notices will simply need to send a copy of their insurance card or declaration page of their commercial policy directly to the Vehicle Registration Financial Responsibility Program prior to the suspension effective date shown on the notice.

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PROGRAM ADMINISTRATOR ACTION

The program administrator must identify any private-use automobiles associated with the policy and inform the insured of their obligations, and ensure that the insured has a supply of the Commercial Insurance Notification form (REG 5085), or know where to access one, for presentation by the insured at the time of registration. The form is available on AccessAIG, and also at DMV field offices and on the California DMV website, <http://www.dmv.ca.gov/forms/reg/reg5085.pdf>. A copy is attached.

If you have any questions, please contact your program manager.

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