

FACT SHEET

Insurance Verification Responsibilities of an Issuing Agent

PURPOSE

This fact sheet explains Issuing Agents' responsibilities in verifying proof of vehicle insurance when issuing vehicle registration in the Commonwealth of Pennsylvania. It describes the documents that must be used by a vehicle owner to serve as acceptable proof of insurance.

REQUIREMENTS

Pennsylvania's financial responsibility law requires that one of the following items must be used to serve as acceptable proof of insurance. No other forms or receipts are acceptable as proof of insurance.

1. An insurance identification card issued by an insurance carrier or by a self-insured. The Department of Transportation issues a certificate to self-insureds who are then authorized to produce an insurance I.D. card; or,
2. The declaration page of an insurance policy or a copy thereof; or,
3. A copy of a valid binder of insurance which contains all of the information required to appear on the I.D. card, excluding the policy number, and is signed by a licensed insurance agent or broker; or,
4. A valid copy of an application for insurance to the Pennsylvania Assigned Risk Plan which contains all of the information required to appear on the I.D. card, excluding the policy number, and is signed by a licensed producer (insurance agent).

NOTE: A computer generated copy of the vehicle insurance application signed by the insurance agent is acceptable when the signature of the insurance agent is an original, in lieu of the carbon copy of a valid binder of insurance or application for insurance to the Pennsylvania Assigned Risk Plan (numbers 3 and 4 above). A legible photocopy, facsimile or printout of an electronic transmission of a document listed above (numbers 1 through 4) are acceptable provided the issuing agent receives the photocopy, facsimile or printout directly from a licensed insurance company or licensed insurance agency. The photocopy, facsimile or printout must be on the letterhead of the company or the agency or with a letter written upon the insurance company's or agency's letterhead. The letterhead photocopy, facsimile or printout of the proof of insurance document or letter on company/agency letterhead document must specifically reference the proof of financial responsibility by the insured's name and address, vehicle make, model and Vehicle Identification Number (VIN) of the insured vehicle. An issuing agent may not accept a photocopy, facsimile or printout of an electronic transmission as proof of financial responsibility when the issuing agent is also acting as an insurance agent for the licensed insurance company or agency.

NOTE: Hand printed identification cards, issued by a Pennsylvania licensed insurance company or agency, are unacceptable.

Each of the documents listed above should be in the customer's name. According to the Pennsylvania Insurance Department, most policies written in Pennsylvania cover the insured person listed on the card and any immediate family members dwelling in the same household.

However, not all policies have the blanket coverage. Therefore, if the customer states that they are covered on the policy and the provided documentation is in the name of another family member, the issuing agent must request further proof of coverage such as the declaration page of the insurance policy with one exception.

When an agent is transferring a registration plate and is presented with one of the items listed on the front

page as proof of insurance in a name that differs from the name shown on the transferred vehicle's registration card, the plate may be transferred and the proof of insurance is acceptable if both the old registration card and the proof of insurance have the same vehicle identification number listed.

The Insurance Department has determined that an issuing agent may accept as proof of insurance for a newly purchased vehicle, any of the items listed on the front of this fact sheet covering a vehicle being traded or another vehicle being driven by the applicant at the time they acquire the new vehicle and the names remain the same. It is the applicant's responsibility to contact their insurance agent or broker to extend their coverage to the newly purchased vehicle. (Items may be listed with the newly purchased vehicle's description.)

Insurance identification cards must contain the words "Financial Responsibility Identification Card," name and address of the insured, vehicle make, model year and vehicle identification number. In addition, the card must contain the insurance company name, company code, policy number or self-insurance certificate number, effective and expiration dates.

Each vehicle belonging to a fleet must have an individual insurance I.D. card or an insurance I.D. card that contains a statement, such as, "insurance coverage provided on all vehicles of fleet." Fleet I.D. cards should list the name and address of the insured, insurance company name, company code number, policy number, effective and expiration dates. In addition, a separate document should be provided by the fleet owner and carried in the vehicle that specifically identifies the insured vehicles by vehicle make, model year and vehicle identification number.

The binder of insurance is an application that becomes a legitimate binder when signed and dated by the insurance agent or broker and dated. If the binder is presented as proof of insurance, check carefully for the agent or broker signature and date. A binder of insurance or an application to the Pennsylvania Assigned Risk Plan, signed and dated by a licensed producer (insurance agent), is valid until replaced by a policy.

Telephone calls to insurance agents for insurance verification purposes may not be made by issuing agents. The Vehicle Code provides that proof of financial responsibility be verified by issuing agents examining one of the acceptable items listed on the front of this fact sheet. However, issuing agents may telephone an insurance agent to request that a photocopy, facsimile or printout of an acceptable proof of insurance be provided. Photocopy, facsimile (FAX) or printout copies of an acceptable proof of insurance document may be accepted by an issuing agent when sent by the vehicle owner's insurance company or agency directly to the issuing agent's office for verification purposes. **NOTE:** Vehicle owners may not deliver the above copies to the issuing agent's office. Photocopies, facsimile (FAX) or printout copies of proof of insurance documents must be provided to the issuing agent on the letterhead of the company or agency, or with a letter written upon the company's or agency's letterhead and must specifically reference the proof of financial responsibility by the insured's name and address, the make, model and vehicle identification number (VIN) of the insured vehicle.

The Vehicle Code prohibits an issuing agent acting as an insurance agent for a licensed insurance company or agency from accepting an electronically transmitted proof of financial responsibility document.

In order for the issuing agent to show evidence that supports the agent's compliance with verifying proof of insurance documents, Department regulations require the agent to maintain copies of the documents used for insurance verification. The agent's copy of the temporary registration card (yellow copies of Form MV-1, MV-4ST an MV-120), copies of related documents and copies of the insurance documents must be retained at the place of business of the issuing agent for at least 3 years. Copies of these documents must be available for inspection by police and authorized representatives of PennDOT when conducting audits of the issuing agent's files to verify compliance with Departmental regulations.

Only an authorized online agent may issue temporary vehicle registration to transport a vehicle to another state. The authorized agent must ascertain that the applicant is an out-of-state resident by examining the applicant's out-of-state driver's license. When a person from another state has moved to Pennsylvania and is applying for a Pennsylvania Certificate of Title and registration, the issuing agent cannot accept out-of-state insurance documents as proof of insurance unless the insurance company is authorized to sell motor vehicle insurance in Pennsylvania. To determine whether or not the out-of-state insurance

company is authorized to provide vehicle insurance in Pennsylvania, the issuing agent must contact the Insurance Department at (717) 787-2317. The Insurance Department service representative will verify whether or not the insurance company is licensed to write vehicle insurance in Pennsylvania and provide the issuing agent a telephone number for the out-of-state insurance company. The issuing agent must then contact the out-of-state insurance company and request written proof that satisfactorily shows the company is licensed in Pennsylvania to sell vehicle insurance and the liability insurance coverage provided is in compliance with Pennsylvania's insurance laws and that the applicant is currently covered. The issuing agent must instruct the applicant to obtain an acceptable proof of insurance document issued by an insurance company licensed in Pennsylvania to sell vehicle insurance. **NOTE:** Handwritten insurance I.D. cards are not permitted to be issued by Pennsylvania licensed insurance companies or agents. However, if the handwritten proof of financial responsibility is acceptable proof of insurance in the state where the vehicle is to be registered, for intransit tag issuance, the issuing agent is authorized to accept a handwritten insurance card as proof, provided the issuing agent receives written confirmation from the applicable state, insurance company or insurance agency that handwritten proof is acceptable in that state.

Other insurance verification information is available to issuing agents from the Bureau. A "Proof of Insurance" poster and "Insurance Verification Responsibilities of an Issuing Agent Questions and Answers" handout are available upon request and may be obtained by sending a request to the Bureau using the address listed at the bottom of the front page of this fact sheet.