Automobile Liability Insurance Reporting
Business Guide

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Chapter 1: Introduction

Legislation and Program Goals

This guide provides insurance companies with information necessary to comply with legislation adopted by the 2019 General Assembly, which amended § 46.2-706.1 of the *Code of Virginia*. This legislation, with an effective date of January 1, 2020, requires insurance companies licensed to do business in Virginia to furnish liability insurance information (Automobile liability Insurance Reporting) to the Department of Motor Vehicles (DMV) electronically. This electronic information is required when a policy change occurs. A policy change is when an insurance company (i) issues liability insurance, (ii) cancels liability insurance, (iii) becomes aware of a lapse in liability insurance, (iv) reissues or reinstates liability insurance, or (v) adds or removes a vehicle to an existing liability insurance policy for motor vehicles registered in Virginia. Electronic information is also required when insurance companies respond to a request for acknowledgement of liability insurance. A response, confirming or denying the existence of a policy with the company, is required within 15 days of receiving the request.

The goals of the **Virginia Automobile Liability Insurance Verification Program** include:

➢ encourage Virginia motor vehicle owners to obtain and maintain liability insurance on all registered vehicles; and

➢ develop a process that will minimize the state's intrusion into the lives of owners who comply with insurance laws; and

➢ reduce paperwork between DMV and insurance companies in verifying insurance information.

Program Overview

DMV uses liability insurance information reported from insurance companies to detect uninsured motor vehicles prior to their involvement in an accident. Verification takes place whenever a motor vehicle owner or insurance company cancels liability insurance coverage for a vehicle or when an owner first registers a motor vehicle in Virginia.

To verify insurance, DMV matches insurance additions, reinstatements, and cancellations to motor vehicle registration records. If no insurance match is found for a vehicle registration record, DMV mails a request for liability insurance information notice to the motor vehicle owner(s).

Information requested includes the name of the insurance company and policy number of coverage in effect on a specific date. The motor vehicle owner(s) is allowed twenty-one days to respond to the request for information before DMV takes further action.

Information received from the motor vehicle owner(s) is matched against DMV's file for new additions reported by insurance companies. If there is no match, the motor vehicle owner's liability information is forwarded to the named insurance company for acknowledgment.

If the insurance company denies coverage, the motor vehicle owner(s) is notified and requested to review the insurance information for correctness and, if necessary, to submit new information.

If the motor vehicle owner(s) fails to respond to the request for liability insurance information, or insurance coverage is denied, an Order of Suspension is issued to suspend the driving and vehicle registration privileges of the motor vehicle owner(s). This Order of Suspension becomes effective in thirty days unless the owner(s) pays DMV a $600 noncompliance penalty fee and has a liability insurance company file, with DMV, an SR22 (Proof of Financial Responsibility). The SR22 filing is required for a period of three years. If the Order of Suspension goes into effect, the vehicle owner(s) must also pay a reinstatement fee before the driving and registration privileges will be reinstated.

Program Requirements

Insurance companies, whether new or currently doing business in Virginia, should use the Insurance Survey (https://dmvmove.dmv.virginia.gov/form/INSsurvey) to communicate business needs.

This survey will allow companies to communicate with DMV any updates, reporting criteria, and business/ technical contact information. DMV personnel will review the Insurance Survey and take action based on the information provided.

1. This program applies to all automobile insurance companies licensed to do business in Virginia and write motor vehicle liability insurance. Any insurance company obtaining a license in Virginia must begin reporting cancellations, reinstatements and additions to DMV within 30 days of writing active policies. Any insurance company submitting insurance records to DMV must comply with the content standards developed by DMV or the electronic data interchange.

2. Companies reporting may submit records and corrections daily within one file. Reporting must occur within 30 days of a policy change. A policy change is when an insurance company (i) issues liability insurance, (ii) cancels liability insurance, (iii) becomes aware of a lapse in liability insurance, (iv) reissues or reinstates liability insurance, or (v) adds or removes a vehicle to an existing liability insurance policy for motor vehicles registered in Virginia.

   - A group of insurance companies may submit insurance records in one transmission.

   - An insurance company may report vehicle-specific policies together or separately.

   - Only one file per day may be uploaded until 4:00 pm EST. Processing is done in the DMV overnight batch system. A statistical and error (if any) report will be returned the next day. There is no limit to the number of records that may be contained in the file.

4. Insurance records received by DMV containing errors will be returned to the insurance company on the same day for correction. Corrected errors should be submitted on the next transmission.

   Note: Every insurance company is responsible for reviewing and verifying any returned data pertaining to their file. IT IS YOUR RESPONIBILITY TO CHECK YOUR RETURN FILE(S) WITHIN 5 DAYS OF RECEIPT.

5. When an insurance company discontinues issuing automobile liability insurance in Virginia, DMV must be notified in writing (e-mail to **InsuranceACK@DMV.Virginia.gov**). The company must not have any active motor vehicle liability policies in force or plan to issue any future policies of that type.

6. DMV notifies insurance companies at least two weeks in advance of any reporting requirement changes. Reporting companies are accorded a reasonable period of time to implement such changes,

normally at least 60-90 days. The implementation date for the change will be coordinated by DMV.

7. Reporting companies should <u>NOT</u> report:

- operator/non-owned;
- comprehensive-only;
- collision-only policies;
- temporary suspensions of coverage during the policy period;
- moved out of state;
- non-registered vehicles such as snowmobiles, mopeds, golf carts, and all-terrain vehicles (ATVs);
- non-powered vehicles such as trailers and bicycles;
- SR22/SR26 or FR44/FR46 filings;
- Non-liability coverage changes;
- Renewals;
- Adding or removing an additional driver;
- Motor Carrier policies.

Chapter 2: Reporting Process

The process involves an information exchange between the insurance company and DMV, either directly or through the registered owner/insured party. Insurance records will not be accepted for any insurance company or NAIC (North American Industry Classification System) code that is not licensed with the Commonwealth of Virginia State Corporation Commission or present in the DMV insurance table. Insurance companies, whether new or currently doing business in Virginia, should use the Insurance Survey (**https://dmvmove.dmv.virginia.gov/form/INSsurvey**) to be added to the DMV insurance table and communicate business needs.

The process described is for:

> ➢ reporting insurance records

> ➢ acknowledging the validity of insurance information provided by a registered owner

Note: Acknowledging the validity of insurance information is only used when no match is made through the regular reporting process.

This reporting process is NOT designed for SR22/SR26 or FR44/FR46 processing. Processing for SR22/SR26 and FR44/FR46 is through the DMV Extranet application. Please find the application here. https://www.dmv.virginia.gov/webdoc/pdf/us531e.pdf

Insurance Record Reporting Process

Step 1: Insurance Company Uploads Insurance Activity Records

The insurance company uploads a file containing insurance activity records which have occurred since the last reporting period to DMV. Files may be uploaded daily until the cut off time set by DMV. EDI processes Monday through Friday only.

A. Schedule

Records must be submitted within 30 days of a policy change. Error correction records can be submitted daily or in the next submission within the submitted file.
Note: DMV can only process one uploaded file per day.

Any additions, reinstatements, and cancellations of motor vehicle liability insurance coverage activity occurring within 30 days of a policy change should be reported according to the DMV processing schedule.

B. Content

The record contents must comply with the reporting requirements outlined in the Technical Guides.

Transactions must be submitted when:

- new liability insurance is established, or a vehicle is added to or replaces a vehicle on an existing policy;

- a vehicle is no longer insured,
  i.e. the vehicle is not renewed or is dropped from the policy;

- the policy is not renewed or has expired;

- the policy is canceled or terminated; or

- coverage is reinstated.

C. Format

The format for insurance record submission must comply with DMV's standards outlined in the Technical Guides, based on your file submission format.

DMV can accept records in 2 different formats.
1) DMV format – please refer to Technical Guide – DMV for specifics
2) EDI format – please refer to Technical Guide – EDI for specifics

Step 2: DMV Processes the Insurance File

➢ The insurance records are processed in DMV's overnight batch system. Reports are returned indicating successful processing of submitted data.

➢ Invalid insurance records are returned to the insurance company with the appropriate error code(s).

An invalid insurance record occurs when:

- the insurance company identifying information (e.g. insurance company code, insurance company name, transaction type) is missing or invalid;

- future dates are used;

- the named insured is missing from the insurance record;

- certain vehicle-specific information such as VIN, full name of first named insured, vehicle make, or vehicle model year, when required, is missing from the insurance record.

- the driver license or social security number is missing for a cancelation of insurance

Please refer to the Technical Guides for Error Codes.

Note: Every insurance company is responsible for reviewing and verifying any return data pertaining to their file. IT IS YOUR RESPONIBILITY TO CHECK YOUR RETURN FILE(S) WITHIN 5 DAYS OF RECEIPT.

Step 3: The Insurance Company Corrects the Errors and Resubmits the Corrected Insurance Records to DMV

The insurance company has the option of resubmitting the corrected records separately, or as part of the next regular reporting; however, updates are required to be reported within 30 days of a policy change to liability insurance. Delaying to the next reporting may cause unnecessary insurance verification notices to be issued to the motor vehicle owner(s).

o Edit errors on transactions for newly issued insurance, cancellations, and reinstatements should be corrected and resubmitted as quickly as possible.

o Edit error corrections for other types of transactions may be resubmitted with the next regular reporting.

Note: DMV can only process one uploaded file per day.

Insurance Acknowledgement Process

If insurance information is not received from an insurance company or does not match DMV records, a notice is sent to the registered vehicle owner(s).

Insurance policy information provided to DMV from the notice response is sent to the insurance company for acknowledgement.

This process includes the following actions:

DMV Action

A. A registered vehicle is identified as potentially uninsured due to new registration without an insurance match or receipt of insurance cancellation.

B. A Vehicle Insurance Verification Notice is sent to the registered owner(s) of a vehicle. The letter requests the name of the insurance company and the identification number of the policy insuring the vehicle in question.

C. The registered owner returns the notice to DMV within 21 days with insurance information.

D. If DMV has matching insurance information, no further actions taken. If DMV has not received matching insurance information, an acknowledgment request is sent to the insurance company.

Insurance Company Action

A . Insurance company will respond to the acknowledgment request by acknowledging or denying coverage and returning the information electronically to DMV within 15 days of receipt.

B. If the insurance information is valid, the insurance company should submit an insurance record to DMV within 30 days. Updates are required within 30 days of a policy change to   liability insurance. These records are submitted through the normal reporting process.

DMV Action

E. If the insurance is denied by the insurance company, DMV issues an Order of Suspension to all registered owner(s) of the vehicle.

F. The Order of Suspension notifies the registered owner(s) that insurance coverage was denied and registration and driving privileges will be suspended in 30 days. The order contains a list of requirements with which the owner must comply to avoid suspension or to reinstate registration and driving after suspension takes effect.

Chapter 3: DMV Generated Reports

This section contains an explanation of reports generated by DMV to be returned to the insurance company.

Insurance Company Records Processed Report

This computer-generated report file is produced whenever a file is uploaded to DMV and processed. Those filing via the EDI format receive no reports. Those using the DMV proprietary record layout and the DMV Move software will have their reports available for retrieval in the same method as error file retrieval.

Insurance Records Error Report

Errors detected from an uploaded and processed file submission will be returned in a computer-generated report file. The EDI format records sent through an electronic mailbox will be returned through the same electronic mailbox. The errors appear in the order the records were processed.

Business Contact Information

HELP LINE

For help with the following, use the e-mail provided below for assistance.

- Reporting questions
- New company startups
- Change of information of company contact
- Where to find this manual on the DMVNOW.com web site

E-MAIL AND FAXED CORRESPONDENCE SHOULD BE ADDRESSED TO:

Virginia DMV
Attention: Insurance Verification Section,
Room 306
P.O. Box 27412
Richmond, VA 23269-0001

FAX: 804-367-6693

e-Mail: **InsuranceACK@DMV.Virginia.gov**