

Insurance Law



OVERVIEW

Pennsylvania law requires all Pennsylvania motor vehicle owners to maintain vehicle liability insurance (financial responsibility) on a currently registered vehicle. Vehicle liability insurance covers the property damage or injuries you may cause others in an accident.

A lapse in insurance coverage results in the suspension of your vehicle registration privilege for three months, unless the lapse of insurance was for a period of less than 31 days **and the owner or registrant proves to the Department that the vehicle was not operated during this short lapse in coverage**. If the Department determines that you operated your vehicle without the required insurance, your driver's license will also be suspended for three months. The registration plate, sticker, card and driver's license must be surrendered to PennDOT in order to serve the suspension. Restoration fees of \$50.00 and proof of insurance must be submitted prior to having either registration or driving privileges returned.

Please note that insurance companies are required to notify PennDOT when an insurance policy is cancelled by the insured or the insurer. Insurance companies are NOT required by law to notify PennDOT when a vehicle owner acquires a new insurance policy with the same or different insurance company. It is the vehicle owner's responsibility to notify PennDOT of the new insurance after receiving a letter of inquiry from PennDOT. Failure to respond to PennDOT's letter of inquiry will result in the suspension of the vehicle registration. A suspension may be avoided by the return of the registration plate, sticker and card to PennDOT **at the time** the insurance policy is cancelled or financial responsibility lapses. **Registration Plates, stickers and cards must be received by the Department no more than 30 days after insurance was cancelled.** Registration plates, stickers and cards received by the Department after 30 days will result in a 3-month registration suspension. To surrender the registration plate, sticker and card, mail them to : PA Department of Transportation, Bureau of Motor Vehicles, Return Tag Unit, P.O. Box 68597, Harrisburg, PA 17106-8597.

WHAT MOTOR VEHICLES ARE COVERED BY THE LAW?

All motor vehicles subject to registration such as cars, vans, motorcycles, recreational vehicles, trucks and buses must have liability insurance. You are in compliance with the law if you have liability insurance in the following amounts:

- \$15,000 for injury or death of one person in an accident
- \$30,000 for injury or death of more than one person in an accident
- \$5,000 for damage to property of another person

Your insurance company sends you an insurance identification (I.D.) card valid for only the period for which coverage has been paid. Always carry your insurance I.D. card in your vehicle.

WHAT HAPPENS IF YOU ARE STOPPED AND DETERMINED TO BE OPERATING YOUR VEHICLE WITHOUT INSURANCE?

If your motor vehicle is not insured with liability insurance, you could face the following penalties and expenses:

- A minimum of \$300 fine for driving uninsured
- A three-month suspension of your vehicle registration
- A three-month suspension of your driver's license
- \$50 restoration fee to restore your vehicle registration
- \$50 restoration fee to restore your driver's license
- That vehicle may not be driven by anyone while the registration is suspended.

HOW DO POLICE OFFICERS AND PENNDOT DETERMINE IF YOU ARE OPERATING YOUR VEHICLE WITHOUT INSURANCE?

1. If you are stopped for a traffic violation, the police officer will request your insurance I.D. card. If you cannot show the officer a valid card, the police officer will cite you for this offense and, if convicted, your vehicle registration and driver's license will be suspended for three months each.

September 2006

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Bureau of Motor Vehicles - Financial Responsibility Section
P.O. Box 68674, Harrisburg, PA 17106-8674
Visit us at www.dmv.state.pa.us

2. If you are involved in a reportable accident, the investigating officer must complete an accident report and forward the report to PennDOT. If it is determined that you were without insurance, your vehicle registration and driver's license will be suspended for three months each.
3. In some cases, insurance information listed on vehicle registration renewal applications is verified with the indicated insurance company. If your insurance company denies coverage, your vehicle registration will be suspended for three months.
4. All insurance companies are required to notify PennDOT when an insurance policy is cancelled or terminated by the insured or by the insurer. PennDOT mails the vehicle owner a letter requesting new insurance information. If the owner fails to provide evidence of insurance, PennDOT suspends the owner's vehicle registration for three months.
5. Vehicle inspection stations require all vehicle owners to present proof of insurance before having their vehicles inspected. If an owner fails to present proof of insurance, the inspection official, in addition to denying a certificate of inspection, may notify PennDOT. PennDOT follows up by requesting insurance information as explained in #4.

DO I HAVE TO SHOW PROOF OF INSURANCE WHEN I REGISTER MY VEHICLE?

PennDOT requires all motor vehicle owners to provide proof that they are financially responsible (have liability insurance) at the time of initial registration.

PennDOT refuses renewal or transfer of registration if the self-certification of financial responsibility is not completed on the registration application, as follows:

1. Name of the insurance company that is insuring the vehicle.
2. The policy number, effective date and expiration date of the insurance policy.

WHAT CONSTITUTES PROOF OF INSURANCE?

The following documents are acceptable forms of insurance:

1. A copy of an insurance identification card.
2. A copy of the declaration page of an insurance policy.
3. A copy of an application for insurance to the Pennsylvania Automobile Insurance Plan signed by a licensed insurance agent or broker.
4. A copy of a certificate of self-insurance issued by PennDOT.
5. A copy of a valid binder of insurance issued by an insurance company licensed to sell motor vehicle liability insurance in Pennsylvania.
6. A copy of a letter from the insurance carrier that verifies the proof of financial responsibility of the insured on official company letterhead signed by an insurance agent or another authorized representative of the insurance company.

NOTE: The above copies must be the official document issued by the insurance carrier.

HOW WILL SUPPLYING AN AFFIDAVIT STATING MY VEHICLE WAS NOT OPERATED DURING THE LAPSE IN INSURANCE COVERAGE EXEMPT ME FROM SERVING A THREE-MONTH SUSPENSION?

The affidavit will exempt you from serving a three-month suspension only if you obtain insurance coverage in less than 31 days from the date the lapse of insurance began. This may be a date determined by the Department or a date the insurance company has indicated insurance coverage was cancelled or terminated.

The 30-day grace period does not begin from the date of PennDOT's notice; it begins from the date of the insurance cancellation. Please read the notice carefully to determine the critical date that marks the end of the grace period.

IF YOU NEED ADDITIONAL INFORMATION, WRITE TO THE FOLLOWING ADDRESS:

Pennsylvania Department of Transportation
Financial Responsibility Section
P.O. Box 68674
Harrisburg, PA 17106-8674