

OFFICE OF THE SECRETARY OF STATE  
A. JAMES MANCHIN  
CHARLESTON 25305

THE STATE CAPITOL

STATE REGISTER FILING

ROBERT W. JACKSON  
DEPUTY SECRETARY OF STATE  
CORPORATE AFFAIRS

I, Thomas J. Stevens, Commissioner  
Title or Position

Department of Motor Vehicles, hereby submit to records in  
the State Register on 8 1/2 x 11" two (2) copies of

- proposed rules and regulations concerning topics of material not covered by existing rules and regulations;
- proposed rules and regulations superseding rules and regulations already on file;
- notice of hearing;
- findings and determinations;
- Emergency rules and regulations
- Legislative ( ) Procedural ( ) Interpretive regulations
- other - specify \_\_\_\_\_

FILED IN THE OFFICE OF  
A. JAMES MANCHIN  
SECRETARY OF STATE  
THIS DATE 7-2-84  
Administrative Law Division

This filing pertains to

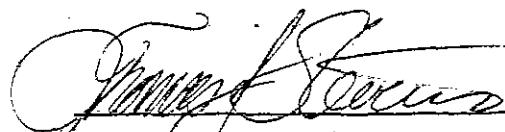
CHAPTER 17A ARTICLE 2 SECTION 9 of the  
West Virginia Code, 1931, as amended.

SERIES XIII, SECTION 1 through 5 PAGE NO. 1 through 9 of the  
Administrative Code.

FILED IN THE OFFICE OF  
A. JAMES MANCHIN  
SECRETARY OF STATE

July 5, 1984  
Date Submitted

THIS DATE \_\_\_\_\_  
Administrative Law Division

  
Signature of Person Authorizing  
this Filing



DEPARTMENT OF MOTOR VEHICLES

STATE OFFICE BUILDING  
CHARLESTON, W. VA.  
25317

JOHN D. ROCKEFELLER IV  
Governor

THOMAS J. STEVENS  
Commissioner

July 5, 1984

The Honorable A. James Manchin  
Secretary of State  
State Capitol Building  
Charleston, West Virginia

Dear Mr. Manchin:

Attached are two copies of proposed legislative rules which are being filed pursuant to §29A-3-5. The proposed rules are designated; Series XIII, Compulsory Motor Vehicle Liability Insurance Regulations." Also attached is a fiscal note being filed pursuant to §29A-3-4.

Be advised that this letter, pursuant to §29A-3-5 constitutes notice that the Department of Motor Vehicles is proposing to promulgate the above mentioned rules.

Be also advised that this letter, pursuant to §29A-3-7 constitutes notice that the Department of Motor Vehicles is seeking public comment on the merits of the proposed rules.

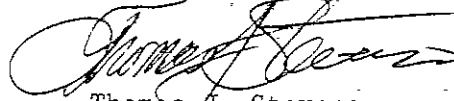
Persons wishing to comment on the merits of these rules are asked to prepare written statements to be received by this Department no later than August 15, 1984. A public hearing where written statements may also be received, will be held at 9:00 a.m., August 15, 1984 in Room 522, Building 3, State Capitol Complex, Charleston, West Virginia.

July 5, 1984  
The Honorable A. James Manchin  
Page 2.

Requests for copies of the proposed rules, as well as written comments for inclusion in the record should be directed to Steven O. Dale, Room 124, Department of Motor Vehicles, 1800 Washington Street East, Charleston, West Virginia 25317.

I certify that the attached constitutes the legislative rules being proposed for promulgation by the Department of Motor Vehicles.

Very truly yours,



Thomas J. Stevens  
Commissioner

TJS:SOD/nls

FILED IN THE OFFICE OF  
A. JAMES MANCHIN  
SECRETARY OF STATE  
THIS DATE July 5, 1984  
Administrative Law Division

## Compulsory Motor Vehicle Liability Insurance Regulations

Public Hearing  
August 15, 1984  
9:00 a.m.  
Room 522, Building 3  
State Capitol Complex  
Charleston, West Virginia

### In Attendance

John C. Lobert, West Virginia Insurance Federation (comments)  
Wayne A. Sinclair, American Insurance Association (comments)  
Cheryl L. Davis, Insurance Department  
James R. Ruegg, Insurance Department  
Harry Rutherford, Insurance Department

### Written Comments Received

Rosalind Ann Phillips, Government Employees Insurance Company  
Roy L. Born, National Association of Independent Insurers  
Robert H. Fitch, State Farm Insurance Company

### Summary of Comments and the Departments Response

#### A. John C. Lobert

1. Use of the term "grace" not appropriate.

Response - The Department agreed and changed "grace" to "notice". (See summary of changes #1)

2. Use of the term "recoverable damages" not proper terminology.

Response - The Department agreed and used Mr. Lobert's suggested language. (See summary of changes #3)

3. Use of the term "termination" not covered by Code.

Response - The Department agreed, HB 1400 eliminated the term termination, now only referring to "cancellation". Changes were made throughout the regulations. (See summary of changes #4)

4. Clarification of the Code provision requiring the Certificate of Insurance to have this effective date of the certificate and the regulations referring to date of issue.

Response - The Department has interpreted the effective date of the certificate to be the date the certificate was issued. The Department feels that both are one and the same but that our language will make it easier for the general public to understand when the Department needs a certificate which post dates a cancellation notice.

5. Disagreement with the provision that cancellation notices contain the names of both the insured and the vehicle owner if different.

Response - The Certificate of Insurance is required to contain the name of the insured as well as the name of the vehicle owner if different (§17D-2A-4).

As Insurance companies are required to provide both names on the certificate of insurance, they should have the information on hand to provide both individuals on the cancellation notices. §17D-2A-5 requires the Department to suspend the registration and driver's license of the vehicle owner, not the insured. This is why the name of the vehicle owner is necessary.

6. Disagreement with the provision that cancellation notices contain the names of the insured as well as the vehicle owner as being impossible in cases of non-owned vehicle liability coverage.

Response - Providing the Department with a cancellation notice which only provides the name of the insured if the vehicle owner if different is useless. The penalty provisions apply only to the vehicle owner who is responsible for maintaining insurance coverage. The financial responsibility laws cover uninsured drivers.

7. Disagreement with the provision that cancellation notices contain the reason for cancellation (§33-6A-1 b, c, d, or e).

Response - This information is vital to the Department if it is to know which cancellation notices fall under the more restrictive provisions of §17D-2A-5, and should be processed. This information is not useless. The Department is still being flooded with inaccurate cancellation notices from the insurance industry. With the stiffer penalties of §17D-2A-5 (now requiring suspension of driver's license as well as vehicle registration) it is even more important that the Department process only those company cancellations issued pursuant to §33-6A-1, b, c, d, or e. It is unfortunate that insurance companies will have to provide this additional information, but the Department feels it is necessary in order to prevent harrassment of vehicle owners who's insurance companies have wrongly notified the Department of a cancellation, which is the whole rationale behind the 1984 Legislative changes.

8. Disagreement over the provision of Certificate of Insurance (WV-1B) contain both the name of the insured as well as the vehicle owner if different.

Response - This information is required by Code (§17D-2A-4).

9. Disagreement over the provision that the Cancellation Notice (WV-2B) contain the driver's licenses of all operators insured under the policy being cancelled.

Response - While it is correct that only the vehicle owner's driving privileges are suspended. Insurance companies seldom know if more than one of the covered driver's are co-owners of the vehicle. A policy may be in the name of the husband, while the wife is legally a co-owner. As a co-owner, the wife is just as responsible as the husband for insurance

or the lack of insurance. The listing of all covered driver's will enable the Department to more accurately identify the vehicle owner's driver's license from say, his son's who has the same name. Again this information is needed to insure that innocent parties are not hassled by certified mail threats of driver's license suspension.

10. Statement that insurance companies would be required to obtain driver's license information from their insureds for the sole purpose of this regulation.

Response - The Department feels that most companies require the driver's license numbers of their policy holders. This Department processes thousands of requests for driver records each month from insurance companies, none of which would be provided without the license number.

B. Mr. Wayne Sinclair

1. Disagreement with the provision that cancellation notices contain the reasons for cancellation (§33-6A-1 b, c, d, or e).

Response - Please see the Department's response to Mr. Lobert's question on this same point (A-7).

2. Statement that the insurance companies are not concerned with the names of the vehicle owner.

Response - As the West Virginia Law holds the vehicle owner responsible for insurance or lack of insurance, and as §17D-2A-4 requires the vehicle owner, if different from the policy holder to be listed on the Certificate of Insurance - the Department feels it behooves insurance companies to become more concerned with the names of vehicle owners.

3. Statement that there is no penalty for insurance companies providing or for not providing the information with the Department.

Response - The Department disagrees. The Insurance Commissioner is prepared to impose sanctions for failure to provide the proper information on cancellation notices.

C. Rosalind Ann Phillips

1. Concern that insurance companies do not have the name and address of the vehicle owner if different from the policyholder.

Response - The Code requires this information (§17D-2A-4).

2. Disagreement with the provisions that cancellation notices contain the reason for cancellation (§33-6A-1 b, c, d, or e).

Response - Please see the Department's response to Mr. Lobert's question on the same point (A-7).

3. Concern that the regulations do not provide any immunity to insurers for supplying the information to the Department.

Response - The Department feels that there is no need for immunity for insurance companies to supply information required by law, providing the

information is correct.

4. Disagreement with the provision that cancellation notices contain the driver's license numbers of all operators insured under the policy.

Response - Please see the Department response to Mr. Lobert's question on the same point (A-9) (A-10).

D. Roy L. Born

1. Concern that insurance companies will not find enough room on the Certificates of Insurance to provide the address of both the insured and the vehicle owner if different.

Response - The Department has been informed by several companies that there is sufficient room.

E. Robert H. Fitch

1. Concern that there is not enough room on the certificate for both the name and the address of both the insured and the vehicle owner.

Response - Please see the Department's response to Mr. Born's question on the same point (D-1).

2. Concern that insurance companies may not have the name of the vehicle owner if different from the insured.

Response - The Code requires this information (§17D-2A-4).

3. Concern that showing the addresses on a Certificate of Insurance could/would create problems when stopped by law enforcement.

Response - Most insurance companies, including State Farm, include addresses on their certificates. It is extremely helpful to the Department to have addresses when attempting to connect certificates to cancellation notices to registration records and to driver's license records. Law enforcement is more interested in ascertaining whether or not insurance is in effect at the time of a vehicle stop, but of course the Code requires that individuals notify the Department of changes of address. Failure to do so is a misdemeanor. §17A-3-18 requires change of address for vehicle owners to be filed with the Department within ten days. §17B-2-13 requires change of address for driver's license holders to be filed within twenty days.



West  
Virginia  
insurance federation

August 14, 1984

John C. Lobert  
Executive Vice President  
Suite 400  
Embleton Building  
922 Quarrier Street  
Charleston, W. Va. 25301  
(304) 343-9441

President  
Frank Norton  
Inland Mutual Ins. Co.  
Huntington W. Va.  
(304) 629-2771

Vice President  
R. L. Walls  
Quality Ins. Co.  
Fairmont, W. Va.  
(304) 366-6996

Secretary-Treasurer  
John B. Arbuckle, Jr.  
Farmers Home Fire Ins. Co.  
Lewisburg, W. Va.  
(304) 645-1975

Immediate Past President  
Robert Showen  
West Virginia Fire & Casualty  
Clarksburg, W. Va.  
(304) 623-3308

Directors  
John Arbuckle, Jr.  
Farmers Home Fire Ins. Co.

W. S. Davis  
Erie Ins. Group

Herbert G. Knox  
Nationwide

Edward Marks, Jr.  
Municipal Mutual Ins. Co.

William Rinker  
Shelby Mutual Ins. Co.

Robert Showen  
W. Va. Fire & Casualty

R. L. Walls  
Quality Ins. Co.

R. D. Welsh  
Westfield Companies

Richard E. Windon  
State Farm

Mr. Steven O. Dale  
Department of Motor Vehicles  
1800 Washington Street, East  
Room 124  
Charleston, West Virginia 25317

Re: Compulsory Motor Vehicle  
Liability Insurance Regulations

Dear Mr. Dale:

Pursuant to the notice of proposed rulemaking issued by Commissioner Stevens, the following are the comments of the West Virginia Insurance Federation on the proposed Compulsory Motor Vehicle Liability Insurance Regulations:

Section 3.04 - This Section defines "firmed up" to include any additional "grace period provided by the insurer." It is our view that the term "grace" is more colloquial than technical, and we suggest that the phrase be reworded "extended payment period provided by the insurer."

Section 3.06 - "Liability insurance" is defined to be a policy "containing recoverable damages no less than the requirements of the Code." We believe the phrase "recoverable damages" is not proper terminology to define insurance policy coverages. To be more precise, we recommend the phrase "containing types and amounts of coverage which shall be no less than the requirements of the Code."

Section 3.07 - The title to that Section makes reference to termination of insurance policies. The statute, however, by its terms only covers cancellations of policies, not terminations, and reference to this broader concept should not be contained in the Regulations.

Section 5.01 - This Section provides that the Certificate of Insurance is to contain the date the

Helping to keep insurance affordable for West Virginians.



Certificate was issued. The Code provision, on the other hand, indicates that the Certificate of Insurance is to contain the effective date of the Certificate. We believe this Section needs to be clarified.

Section 5.02 - This Section once again refers to terminations of policies, while the statute is only intended to apply to policy cancellations and not policy renewals. We believe, therefore, that any reference to terminations should be stricken from the Regulations in order to avoid confusion. In addition, the Section provides that the cancellation notice must contain the name of the policyholder and the vehicle owner if they are different. This requirement is not contained in the law, and in some instances the name of the vehicle owner would not be known to the insurer. For example, in non-owned vehicle liability insurance, coverage is only provided when the policyholder is operating non-owned vehicles. Even more troublesome in this Section is the language at the bottom of page five and the top of page six requiring that the insurer specify the reason for cancellation. Insurers are not required by law to provide this information on the notices of cancellation. Further, the information would be of no benefit whatsoever to the Department of Motor Vehicles. In order to eliminate the unnecessary expense associated with this requirement, it should be deleted.

Form WV-1B - This form requires the name and address of the owner of a vehicle if the owner is other than the named insured. Many insurers do not request this information at the time of policy issuance. The imposition of this requirement will be a costly burden to insurers and policyholders.

Form WV-2B - This form calls for the inclusion of driver's license numbers of all operators insured under the policy, a requirement not contained in the statute. What is worse, the information is useless to the Department of Motor Vehicles since the law does not allow the suspension of operating privileges of all persons covered by an insurance policy just because the policy is cancelled. Once again, in order to simplify the reporting of information and to eliminate the extra expense involved on the part of insurers who would be required to obtain this information from all of their policyholders, this requirement should be eliminated.

Respectfully submitted,

  
JOHN C. LOBERT

JCL/jw

Mr. Sinclair: I'm Wayne Sinclair representing the American Insurance Association. The AIA has sent the regulations out to its member companies and asked for comment on them and the only comments that we have, a, come from the Hartford Insurance Group in Hartford, Connecticut and they're not comments which, a, are over whelming with regard to their suggestion but they have two sections that they'd like to at least have the Commissioner look at a little more carefully. Obviously under the regulation insurers are no longer required to notify the department of any cancellation which has been triggered by non-payment of the premium...uh... Hartford agrees that this would have the effect of eliminating the vast majority of cancellation notices which must be sent to the Department of Motor Vehicles when the cancellation has been triggered by any of the other legitimate reasons set forth in the statute, the insurer is required to indicate on the cancellation notice which subsection, the statute is... it is relying on, that is B, C, D or E. The Hartford argues in opposing this requirement that in most instances such as an entry would require some sort of manual intervention which in the aggregate would be time consuming and costly for insurers. Further, the Hartford indicates that they could see no good reason why the Department of Motor Vehicles would want to collect such information. The other comment the, the Hartford has concerns...uh...is concerned with the Department of Motor Vehicles Certificate of Insurance and notice of cancellation forms which request the identity of the vehicle owner of different from the name insured. The Hartford argues that in most cases the insured would not have access to such information because the company would repl...would rely on the insurance application and the, normally the insurer is not concerned with the name of the vehicle owner. The...there...there's certainly no penalty provision for providing or for not providing the information, a, with the Department of Motor Vehicles with the name of the

vehicle owner if that information is not available, a, and they just simply want to point out the Department of Motor Vehicles...of Motor Vehicles that the information is not in generally available to the insurer and then in general the regulations as far as the AIA Member Companies, a, seem to be very well written and are acceptable. That's all my comments.



# GOVERNMENT EMPLOYEES *Insurance Company*

GOVERNMENT EMPLOYEES INSURANCE OPERATIONS BUILDING  
WASHINGTON D. C. 20076

A CAPITAL STOCK COMPANY  
NOT AFFILIATED WITH  
U. S. GOVERNMENT

August 13, 1984

Thomas J. Stevens, Commissioner  
West Virginia Department of  
Motor Vehicles  
State Office Building  
Charleston, West Virginia 25317

RE: Compulsory Motor Vehicle  
Liability Insurance  
Regulations

Dear Mr. Stevens:


Government Employees Insurance Company submits the following comments relative to the above captioned regulations:

- 1) The proposed Certificate of Insurance and the Notice of Cancellation or Termination of Policy form requires the name and address of the owner and the insured. We often do not have the address of the owner if that person is not also the insured.
- 2) The Notice of Cancellation or Termination of Policy form requires reasons for cancellation to reference specific statutes. This will complicate our handling of cancellations, will be quite time consuming and increase administrative costs.
- 3) These regulations do not provide any immunity to insurers for supplying the information to the Department of Motor Vehicles.
- 4) The Notice of Cancellation or Termination of Policy form requires operator's license numbers of all operators on policy to be listed. This information is often not readily available and will require burdensome search of files for original applications, all of which greatly increased administrative expenses in processing such forms.

Thomas J. Stevens  
August 13, 1984  
Page 2

Please include the foregoing comments in the record of the hearing on August 15, 1984. Thank you for providing us an opportunity to comment.

Very truly yours,



Rosalind Ann Phillips  
Legislative Attorney

RAP:sks

National Association



of Independent Insurers

2600 RIVER ROAD, DES PLAINES, ILLINOIS 60018

312/297-7800

July 9, 1984

Mr. Thomas Stevens  
Commissioner  
Department of Motor Vehicles  
State Office Building  
Charleston, West Virginia  
25317


Dear Tom:

I have received the emergency regulations as issued by your Department and of course am very pleased that our companies will have until January 1, 1985 to comply with the new forms.

In reviewing the certificate of insurance card I am disturbed with the spacing on name and address of insured along with the name and address of owner. I can't conceive that any of our companies will have sufficient space if they must provide this information on any card. You might want to have Gillespie or some of your people review that card again to insure that it can be properly utilized. Tom, if the address were omitted I feel certain that there would be sufficient space but with the address in both instances it just is not going to work for any company.

Tom, again our thanks for the lead time and I sincerely hope that you will be able to provide us the necessary room in the sections which I mentioned.

Best regards,

  
Roy L. Born  
Consultant

RLB:cga



# State Farm Mutual Automobile Insurance Company

July 6, 1984

One State Farm Plaza  
Bloomington, Illinois 61701

Thomas J. Stevens  
Commissioner of Motor Vehicles  
West Virginia Department  
of Motor Vehicles  
1800 East Washington Street  
Charleston, WV 25305

Dear Commissioner Stevens:

This is to confirm our telephone conversation in which I expressed concern about one item in the emergency compulsory insurance regulation. The specifications for the certificate of insurance include the address for the insured and for the owner if other than the insured. My concerns involve spacing, availability of the information, and possible problems of the address matching the address shown on the registration or drivers license.

The certificate contains a great deal of information already. There is simply not enough space to include an address for the insured and person other than the insured. Most companies produce the certificate from their data processing systems. Therefore, they are confined to one type size. While the specifications provide for a certificate up to 7 inches wide, the data processing printers used by many companies will not accommodate a 7 inch form, particularly when the certificate must be produced in duplicate.

State Farm issues the two certificates in a side by side format as a third panel in the renewal notice. The current certificates are 3 1/2 X 4 1/4 inches. The format does not allow for anything any wider. To produce the certificate separately and mail it as a single item for State Farm's approximately 320,000 West Virginia policyholders would increase our costs by almost \$110,000 a year.

Secondly, we are not always aware that the owner of the vehicle is not our named insured. And even if we do, the address is often not available.

Thomas J. Stevens  
July 6, 1984


Page Two

Finally, showing addresses for insured and other than insured can create problems when addresses are changed. If the individual notifies the Department of Motor Vehicles of an address change, but not his insurer or vice versa, the resulting discrepancy can cause problems if a law enforcement officer is examining the documents.

The specifications for the current certificate provide for the address being optional. I strongly urge that the regulation be revised to make the address optional for both the named insured and owner if not the named insured.

Thank you for your consideration.

Sincerely,

  
Robert H. Fitch

RHF:js  
cc: Judy Sieckman  
Roy Born



Proposed Changes to Compulsory Insurance Regulations - May 1984

1. Repeats code provision that two certificates be provided to policy holder. (Page 2, 3.02. and Page 5, 5.01.)
2. Cancellation notice to be sent to DMV after the 30 day notice period provided in Code 33-6A-1. (Page 2, 3.04.)
3. Certificate to indicate the effective period of coverage by listing the beginning and ending date of the policy period. (Page 5, 5.01.) \*\*\*to assist law enforcement\*\*\*
4. The actual date the certificate was issued is to be indicated on the certificate. (Page 5, 5.01.) \*\*\*to assist DMV in determining whether a certificate was issued prior to a cancellation notice, or whether it's a "new" certificate designed to "cancel" a company cancellation notice\*\*\*
5. Repeats code provision that if vehicle owner is different from the policy holder, both names to be indicated on the certificate. (Page 5, 5.01.)
6. Repeats code provision that only cancellation notices under Code 33-6A-1B, C, D, or E are to be reported to DMV. (Page 5, 5.02.)
7. Emphasizes that under no circumstances are cancellations resulting from non-payment of premium to be reported to DMV - only Code 33-6A-1B, C, D, E. (Page 6, 5.02.)
8. Cancellation notices are to indicate the category of cancellation, and failure to do so will mean the notice will be returned to the company and sanctions may be imposed by the Insurance Commissioner. (Page 6, 5.02.)
9. Provides for administrative procedures for handling of cancellation notices. (Page 6, 5.02.)
10. Repeats code provision that insurance companies are to respond to verification requests only if information on the Owner's Statement can not be verified. (Page 7, 5.03.)
11. Provides for positive response on verification requests when the DMV has cause to believe that a false owner's statement has been filed. (Page 8, 5.03.)
12. Provides for administrative procedures for handling of owner's statements which could not be verified. (Page 8, 5.03.)

Summary of Changes to the Certificate of Insurance--

1. Two certificates to policy holder
2. Indicate owner and policy holder if different
3. Indicate date certificate issued
4. Indicate policy period by listing beginning and expiration of policy term
5. Slightly wider range of sizes for certificates

Summary of Changes to Notice of Cancellation--

1. Indicate Reason for cancellation by checking B, C, D, or E
2. Indicate owner and policy holder if different
3. Indicate all driver's licenses of individuals listed on cancelled policy
4. List only 1 vehicle per form

Summary of Changes to the Compulsory Insurance Regulations as a Result of Public Comment

1. Page 2, 3.04 - substitute the word "notice" for the word "grace" in the new language. This change clarifies that the Department is referring to the notice period required by Chapter 33, which is part of the regular policy term and not the optional "grace" period granted by most insurers five to twenty-two days beyond the policy premium due date.
2. Page 2, 3.04 - add the phrase "to the insured" to the new language. This change clarifies that the Department is referring to the notice insurers are required to give their insureds under Chapter 33 and not the notice required by §17D-2A-5 which is sent to the Department.
3. Page 2, 3.06 - substitute the phrase "containing types and amounts of coverage" for "recoverable damages". This was language suggest by the insurance industry as being more correct terminology.
4. Page 2, 3.07 - strike the words "or termination". The Code now refers only to cancellation of policy.
5. Page 5, 5.02 - same change as #4.
6. Page 6, 5.02 - strike the word "continued". Eliminating this word makes the phrase less ambiguous in terms of enforcement.
7. Appendix B - same changes as #4.

FISCAL NOTE FOR PROPOSED RULES

Rule No. Series XIII Subject Compulsory Motor Vehicle Liability Insurance Regulations

Type of Rule:  Legislative  Interpretive  Procedural

Agency Department of Motor Vehicles Address 1800 Washington Street East  
Charleston, West Virginia 25317

Authorized Representative Thomas J. Stevens Phone 348-2723

1. Effect of Proposed Rule	ANNUAL		FISCAL YEAR		
	Increase	Decrease	Current	Next	Thereafter
Estimated Total Cost	\$	\$288,000	\$ 0	\$288,000	\$
Personal Services		80,000	0	80,000	
Current Expense		208,000	0	208,000	
Repairs and Alterations					
Equipment					
Others					

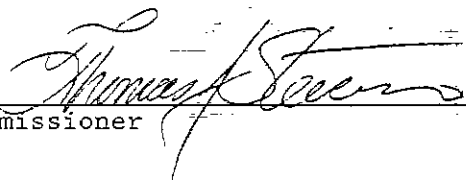
2. Explanation of above estimates:

Estimated savings are based on an expected 80% reduction in the number of cancellation notices received and processed by this Department. Enrolled House Bill 1400 changed the circumstances when insurance companies are to notify this Department. These regulations and this fiscal note reflect anticipated savings as a result.

3. Date July 5, 1984 Agency Department of Motor Vehicles

Signature of Agency Head

Signature of Authorized Representative

  
 Commissioner

\_\_\_\_\_  
 \_\_\_\_\_

STATEMENT OF ECONOMIC IMPACT OF PROPOSED RULES OR REGULATIONS

Agency Department of Motor Vehicles

Rule No. Series XIII Subject Compulsory Motor Vehicle Liability Insurance Regulations

1. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

These proposed rules implement statutory changes which will result in a significant reduction in processing costs.

B. Economic Impact on Political Subdivisions; Specific Industries; Specific Groups of citizens.

The insurance industry will experience an approximate 80% reduction in the volume of cancellation notices which are required to be sent to this Department pursuant to §17D-2A-5(a).

C. Economic Impact on Citizens/Public at Large.

Citizen instigated changes to insurance policy will no longer result in cancellation notices being sent to this Department. This means the volume of notices requiring a response from citizens will be reduced.

Date July 5, 1984

Agency Department of Motor Vehicles

Signature of Agency Head

Signature of Authorized Representative

  
Commissioner

\_\_\_\_\_  
Signature of Authorized Representative

(Proposed)  
COMPULSORY MOTOR VEHICLE LIABILITY INSURANCE REGULATIONS

Chapter 17A-2  
Series XIII  
1984 amended

INDEX

	Page
Section 1. General	1
Section 2. Application and Enforcement	1
Section 3. Definitions	2
Section 4. Forms and Procedures Pertaining to the Insured	3
Section 5. Forms and Procedures Pertaining to the Insurer.	4
Appendix A. Certificate of Insurance Specifications	
Appendix B. Notice of Cancellation or Termination of Policy Specifications	

FILED IN THE OFFICE OF  
A. JAMES MANCHIN  
SECRETARY OF STATE  
THIS DATE 7-2-84  
Administrative Law Division

(Proposed)  
WEST VIRGINIA LEGISLATIVE RULES  
DEPARTMENT OF MOTOR VEHICLES

Chapter 17A-2  
Series XIII  
1984 amended

FILED IN THE OFFICE OF  
A. JAMES MANCHIN  
SECRETARY OF STATE  
THIS DATE 7-28-84  
Administrative Law Division

Subject: Regulations Relating to Compulsory Motor Vehicle Liability Insurance

---

Section 1. General

1.01. Scope - These legislative rules establish certain guidelines and forms for insurers and the insureds with respect to motor vehicles subject to registration under Chapter 17A, Article 3, Section 2 of the Code of West Virginia of 1931, as amended, and subject to the required security under Chapter 17D, Article 2A, Section 3 of the Code of West Virginia of 1931, as amended.

1.02. Authority - These legislative rules are issued under the authority of Chapter 17A, Article 2, Section 9, and Chapter 17D, Article 2A, Section 8, of the Code of West Virginia of 1931, as amended.

1.03. Filing Date - These legislative rules were promulgated on the \_\_\_\_\_, and were filed on the \_\_\_\_\_ in the Office of the Secretary of State.

1.04. Effective Date - These legislative rules become effective on the \_\_\_\_\_.

---

Section 2. Application and Enforcement

2.01. Application - These legislative rules apply to all owners and operators of motor vehicles subject to registration under Chapter 17A, Article 3, Section 2 of the Code of West Virginia of 1931, as amended and subject to the

required security under Chapter 17D, Article 2A, Section 3 of the Code of West Virginia of 1931, as amended. These legislative rules also apply to insurance companies and their agents authorized to issue motor vehicle liability insurance in this state.

2.02. Enforcement - Enforcement of these legislative rules is vested with the Commissioner of Motor Vehicles or a lawful designee of such officer.

Section 3. Definitions - The following definitions shall apply in the interpretation and enforcement of these legislative rules.

3.01. Code - Means the Code of West Virginia of 1931, as amended.

3.02. Certificate of Insurance - Means the form issued in duplicate by an insurer to an insured which meets the requirements of §17D-2A-4 of the Code and which has been approved for use by the Commissioner.

3.03. Commissioner - Means the executive officer of the Department of Motor Vehicles appointed by the Governor pursuant to §17A-2-2 of the Code, or a designated representative of such officer.

3.04. Firmed up - Means when the thirty day notice required by §33-6A-1 and any additional grace period provided by the insurer has expired and the policy will not be continued or reinstated to maintain coverage continuously in force.

3.05. Fleet Owner - Means any person in whose name more than twenty-five vehicles are registered in this state.

3.06. Liability Insurance - Means an insurance policy or contract as provided in Chapters 17D and 33 of the Code containing recoverable damages which shall be no less than the requirements of §17D-4-2 of the Code.

3.07. Notice of Cancellation or Termination of Policy - Means the form issued by an insurer to the Commissioner pursuant to §17D-2A-5 of the Code and which has been approved for use by the Commissioner.

3.08. Owner - Means the person responsible for the registration of a motor vehicle.

3.09. Owner's Statement of Insurance - Means the form prescribed by the Commissioner pursuant to §17A-3-3 of the Code. The Commissioner may also require on the form the disclosure of the motor vehicle license number and insurance policy number on the form.

3.10. Owner's Statement of Seasonal Insurance - Means the form prescribed by the Commissioner pursuant to §17D-3-3 of the Code on which the motor vehicle owner supplies liability insurance information as required on the Owner's Statement of Insurance (3.09.). In addition, the owner shall certify that the liability insurance is in effect during the portion of the year in which the vehicle is in actual use.

3.11. Self-Insurer - Means a motor vehicle owner meeting the requirements of §17D-6-2 of the Code.

#### Section 4. Forms and Procedures Pertaining to the Insured

4.01. Verification of Insurance - Verification of motor vehicle liability insurance may be required to be provided to the Commissioner by the owner. A copy of the certificate of insurance, the insurance policy, or a copy of the insurance policy will meet the verification requirements; provided, that the liability insurance is was in effect as demonstrated on the verification-document Owner's Statement of Insurance or Owner's Statement of Seasonal Insurance.

4.02. Owner's Statement of Insurance - An Owner's Statement of Insurance is required for each registered motor vehicle. An Owner's Statement of Insurance form is not required to be submitted on vehicles defined in §17A-10-1 of the Code as Class C, L, R, S, and T vehicles. Any other application for motor vehicle registration must include the completion of an Owner's Statement of Insurance by



the owner of the motor vehicle. Application forms for renewal of motor vehicle registrations will include the Owner's Statement of Insurance on the reverse side.

Motor vehicle owners who provide security by means of qualifying as a self-insurer pursuant to §17D-6-2 of the Code, shall enter on each Owner's Statement of Insurance the words "Self-Insured" and the number of the Certificate of Self Insurance issued by the Commissioner in the space provided for identification of the insurance company.

Motor vehicle owners who provide security pursuant to §17D-4-16 of the Code, shall enter on each Owner's Statement of Insurance the words "Certificate of State Treasurer" and the number of the certificate issued by the State Treasurer in the space provided for the identification of the insurance company. The motor vehicle owner shall provide the Commissioner with a copy of such certificate.

4.03. Owner's Statement of Seasonal Insurance - Motor vehicle owners who wish to operate a motor vehicle only part of the year shall submit an Owner's Statement of Seasonal Insurance to the Commissioner. If and when the owner allows liability insurance coverage to lapse due to the seasonal or periodic nature of its use, the owner shall notify the insurance company in writing that the lapse of coverage will not result in an uninsured motor vehicle being operated upon the roads or highways of this state.

Section 5. Forms and Procedures Pertaining to the Insurer

5.01. Certificate of Insurance - The form designated in Appendix A as ~~WV-1A~~ WV-1B when printed as specified and completed in full, shall meet the requirements of §17D-2A-4 of the Code for issuance by the insurer to the insured. The certificate shall be accepted by the Commissioner and all law enforcement agencies as proof of insurance.

A Certificate of Insurance shall be provided by the insurer to the insured at least-annually in duplicate for each policy term or upon request by the insured for each motor vehicle covered by a liability insurance policy.

In cases of motor vehicle owners qualifying as fleet owners, the word "fleet" may be used on each certificate in lieu of a motor vehicle description.

The certificate shall list the effective dates of the policy term by including both the commencement date and the expiration date of the policy term. The date that the certificate was issued shall also be listed.

In cases where the vehicle owner is different from the policy holder, the certificate shall list both the policy holder and the vehicle owner.

Motor vehicles bearing dealer or financial institution registration are not required to carry a certificate of insurance.

5.02. Notice of Cancellation or Termination of Policy - The form designated in Appendix B as WV-2A WV-2B when printed as specified and completed in full, shall meet the requirements of §17D-2A-5 of the Code for issuance by the insurer to notify the Commissioner of ~~all-midterm-cessations;-company cancellations;-terminations;-or-non-renewal-of-liability-insurance-on-any-motor vehicle-by-either-the-insurer-or-insured~~ company cancellations issued under the provisions of §33-6A-1(b),(c),(d), or (e) when it has been firmed up by the insurer. Such notice to the Commissioner is not to be given when the action on the policy is the result of:

~~1:---A-transfer-of-insurance-coverage-to-a-replacement-motor vehicle-when-the-originally-insured-motor-vehicle-is-sold;-traded;-or-otherwise disposed-of;~~

~~2:---A-change-in-the-company-providing-coverage-provided-the-insured-shows-proof-of-transfer-of-coverage-to-the-former-insurer;~~

~~3:---A-lapse-of-coverage-on-a-motor-vehicle-used-seasonally-or~~

~~periodically removed from service; provided the insurer has been notified in writing by the insured that the lapse of coverage will not result in an uninsured motor vehicle in use; or~~

~~4.---A cessation of coverages not connected with the required security pursuant to §17D-4-2 of the Code.~~

the failure of the insured to discharge when due any of his obligations in connection with the payment of premium or any installment thereof or any reason other than those described in §33-6A-1(b), (c), (d), or (e).

In cases where the vehicle owner is different from the policy holder the cancellation notice shall list both the policy holder and the vehicle owner.

Such notice shall also make specific reference to the reasons for the company cancellation by designating the category of cancellation as b, c, d, or e.

Failure to designate the category of the cancellation (§33-6A-1 b, c, d, or e) on the cancellation notice will result in the notice being returned to the issuing company for the required information. Continued failure of the insurance company to either provide the department with notices pertaining only to §33-6A-1 b, c, d, or e, or listing the required information, will result in sanctions being imposed on the company by the Insurance Commissioner of West Virginia.

When the Department receives a cancellation notice pursuant to §17D-2A-5, it is required to suspend the motor vehicle operating privileges of the vehicle owner for a period of ninety days. The Department is also required to suspend the vehicle owner's registration until current proof of insurance is provided.

Upon receipt of the cancellation notice, the Commissioner shall within fifteen days, send by regular mail, notice to the vehicle owner that the Department has received a cancellation notice from the insurer. The notice shall request that the vehicle owner provide the Commissioner with a new certificate of insurance showing that:

(1) The cancellation notice was in error and that a new certificate of insurance was issued after the insurance company sent a cancellation notice to the Department, or

(2) coverage was subsequently obtained from a different company.

If the vehicle owner does not respond within twenty days, the Commissioner shall send a notice of pending suspension of operating privileges and motor vehicle registration by certified mail. The notice shall grant the vehicle owner an additional twenty days to provide the requested information.

If the vehicle owner does not respond within twenty days from the date of the notice sent by certified mail, a suspension of the motor vehicle operating privileges and motor vehicle registration shall be entered and an order directed to the Superintendent of Public Safety pursuant to §17A-9-7 and §17B-3-9.

However, if the Commissioner subsequently makes a determination that the vehicle was insured, the suspension entered against the motor vehicle operating privileges and motor vehicle registration shall be withdrawn and any fees collected by the State shall be returned. Such determination shall be based on the motor vehicle owner providing the Commissioner with a certificate of insurance, showing effective dates which would indicate that had the certificate been received during the notice period, it would have been proof that the vehicle was insured.

5.03. Verification of Insurance - For the purposes of verification of information provided on the Owner's Statement of Insurance or Owner's Statement of Seasonal Insurance pursuant to §17A-3-3 of the Code, the Commissioner may forward the information provided on the statement to the listed insurer. The insurer shall notify the Commissioner within thirty calendar days ~~whether-or-not-the-information-is-correct~~ if the liability insurance was not in effect as indicated on the Owner's Statement. If a discrepancy exists, the insurer shall provide the Commissioner with such

information as appears in its records concerning that particular verification request.

If, in certain instances the Department has reasonable cause to believe that a false owner's statement of insurance has been filed, it may require the insurer to respond to a verification request whether or not the information is correct.

Upon receipt of notice from the insurance company that there was not liability insurance in effect as indicated on the Owner's Statement of Insurance, the Department shall proceed pursuant to §17A-3-3(5).

The Commissioner shall, by regular mail notify the vehicle registrant that the Department was unable to verify the registrant's Owner's Statement of Insurance with the insurance company indicated on the statement. Such notification shall request that the registrant provide the Commissioner with a certificate of insurance which substantiates the information the registrant provided on the Owner's Statement of Insurance.

If the registrant fails to respond within twenty days, the Commissioner shall send a notice of pending suspension of the registrant's privilege to operate a motor vehicle and vehicle registration. The notice of pending suspension shall grant the registrant an additional twenty days to provide a certificate of insurance which substantiates the information the registrant provided on the Owner's Statement of Insurance.

Failure to substantiate the registrant's Owner's Statement of Insurance within the provided time period shall result in the suspension of driving privileges for a period of ninety days, and suspension of the motor vehicle registration until current proof of insurance is presented to the Department. Suspensions will be effectuated pursuant to the provisions of §17A-9-7 and §17B-3-9.

However, if the Commissioner subsequently makes a determination that an Owner's Statement of Insurance was not filed in a false manner, the suspension of operating privileges and motor vehicle registration shall be withdrawn and any fees collected by the State shall be returned.

Such determination shall be based on the registrant providing the Commissioner with a certificate of insurance substantiating the registrant's Owner's Statement of Insurance.

WEST VIRGINIA CERTIFICATE OF INSURANCE

CERTIFICATE OF INSURANCE (NAME OF COMPANY OR GROUP)		Vehicle Owner Enter Plate No.
An authorized West Virginia insurer certifies that there is in effect a motor vehicle liability policy upon the described vehicle in accordance with the provisions of the West Virginia Motor Vehicle Code.		
Year	Make	Vehicle Identification Number
Policy Number	Name of Insured	
Date Certificate Issued	Address	
Effective Dates of Policy Term From _____ To _____	Name of Owner	
	Address	
THIS CERTIFICATE MUST BE CARRIED IN THE VEHICLE DESCRIBED ABOVE FOR USE AS PROOF OF INSURANCE. A COPY OF THIS CERTIFICATE MAY BE REQUESTED BY THE COMMISSIONER OF MOTOR VEHICLES.		
Signature of Owner _____		Date _____
WV-1B 4/84		

Specifications:

The above specimen form shows the items to be included and their location on the certificate. Print size may vary. If other wording or arrangement of wording is used prior approval of the Commissioner of Motor Vehicles is required. A certificate printed in accordance with the specimen form, including the addition of the Company logo if desired, has the prior approval of the Commissioner.

1. One part form on white paper stock. Paper stock no less than 20 pounds.
2. Size may vary from 3½" X 4" to 3½" X 5" 3½" X 4" to 3½" X 7" effective September 1, 1984.
3. On certificates issued on renewal policies, the word "renewal" may be shown along with the policy effective dates to facilitate acceptance of the certificate prior to the date shown.
4. Vehicle description - The year may be shown as two digits and the make may be abbreviated. Model may be shown in lieu of make. The full VIN shall be shown. The plate number shall be entered by the owner.
5. One certificate shall be provided in duplicate for each vehicle insured at least annually at each policy term or upon request by the insured.
6. When the insurer does not have a description of the vehicle insured under a fleet policy, the word "fleet" may be entered in lieu of vehicle description.
7. A facsimile signature of an authorized representative of the insurer may be pre-printed on the certificate if the certificate is issued directly from the insurer; provided, however, that where a certificate is field issued, the original signature and the agent's license number of a resident agent appointed by the insurer shall appear on the certificate.
8. The name of the vehicle owner shall be included if different from the insured.
9. The certificate shall indicate the commencement date and the expiration date of the policy term.
10. The date that the certificate was issued shall be indicated on the certificate.

NOTICE OF CANCELLATION OR TERMINATION OF POLICY

NOTICE OF CANCELLATION OR TERMINATION OF POLICY		Cancelled Under Provisions of §33-6A-1 marked
Name of Company		(b) —
Policy Number		(c) —
Date of Notice	Cancellation Date	(d) — (e) —
		TO BE FILED WITH:
Name and Address of Insured		Commissioner of Motor Vehicles 1800 Washington Street East Charleston, West Virginia 25317
Name and Address of Vehicle Owner if different		All operator's license listed on policy must be listed
Year-Make or Model	Vehicle Identification Number	1. 2. 3. 4.
WV-2B 4/84		

SPECIFICATIONS FOR WEST VIRGINIA NOTICE OF TERMINATION (WV-2A-6/82) (WV2-B 4/84)  
(~~Up-to-four-vehicles-may-be-reported-on-a-single-form~~)  
Only one vehicle may be reported on a form

- Size: 7-3/8 inches wide X 3-1/2 inches high.  
Paper: Not less than 20 pound white sulphite bond, or equivalent.  
Type: One part form.

Descriptive information required on WV-2B

1. Insurance company name.
2. Policy number.
3. Date of notice.
4. Cancellation date.
5. Name of insured.
6. Name of vehicle owner if different from insured.
7. Year, make & complete VIN of vehicle.
8. All drivers license numbers listed on policy must be submitted.
9. Type of cancellation must be indicated. (Only those outlined in §33-6A-1, subsections (b) through (e) will be accepted)



§33-6A-1 b, c, d, and e

Circumstances when insurance companies are to notify the Department of Motor Vehicles of a company cancellation pursuant to §17D-2A-5(a) and these legislative rules.

§ 33-6A-1. Cancellation prohibited except for specified reasons; notice.

No insurer once having issued or delivered a policy providing automobile liability insurance in this State insuring a private passenger automobile shall, after the policy has been in effect for sixty days, or in case of renewal effective immediately, issue or cause to issue a notice of cancellation during the term of the policy except for one or more of the following specified reasons:

DMV is not to be notified of reason (a) cancellations.

~~(a) The named insured fails to discharge when due any of his obligations in connection with the payment of premium for such policy or any installment thereof;~~

(b) The policy was obtained through material misrepresentation;

(c) The insured violates any of the material terms and conditions of the policy;

(d) The named insured or any other operator, either resident in the same household or who customarily operates an automobile insured under such policy:

(1) Has had his operator's license suspended or revoked during the policy period including suspension or revocation for failure to comply with the provisions of article five-A [§ 17C-5A-1 et seq.], chapter seventeen-C of this Code, regarding consent for chemical test for intoxication; or

(2) Is or becomes subject to epilepsy or heart attacks, and such individual cannot produce a certificate from a physician testifying to his ability to operate a motor vehicle.

(e) The named insured or any other operator, either resident in the same household or who customarily operates an automobile insured under such policy is convicted of or forfeits bail during the policy period for any of the following:

(1) Any felony or assault involving the use of a motor vehicle;

(2) Negligent homicide arising out of the operation of a motor vehicle;

(3) Operating a motor vehicle while under the influence of alcohol or of any controlled substance or while having an alcohol concentration in his blood of ten one hundredths of one percent (.10) or more by weight;

(4) Leaving the scene of a motor vehicle accident in which the insured is involved without reporting as required by law;

(5) Theft of a motor vehicle or the unlawful taking of a motor vehicle;

(6) Making false statements in an application for a motor vehicle operator's license;

(7) A third violation, committed within a period of twelve months, of any moving traffic violation which constitutes a misdemeanor, whether or not the violations were repetitious of the same offense or were different offenses. Notwithstanding any of the provisions of this section to the contrary, no insurance company may cancel a policy of automobile liability insurance without first giving the insured thirty days' notice of its intention to cancel. Provided, that cancellation of the insurance policy by the insurance carrier for failure of consideration to be paid by the insured upon initial issuance of the insurance policy is effective upon the expiration of ten days' notice of cancellation to the insured. (1967, c. 98; 1981, c. 157; 1982, c. 106.)