

Vermont Insurance Division

BULLETIN 77: Mandatory Financial Responsibility, Proof of Insurance ID Cards

January 28, 1986

The 1985 session of the Vermont Legislature passed H.395. In part, this bill revised Title 23 by adding Section 800. Maintenance of Financial Responsibility which makes the maintenance of automobile liability insurance, or other acceptable financial responsibility, mandatory. Further, it requires that this insurance must be ...evidenced in a form prescribed by the Commissioner (which in this case is the Commissioner of Motor Vehicles).

The requirements for such proof were developed by the Commissioner of Motor Vehicles in collaboration with the Commissioner of Banking and Insurance and adopted as rules on November 9, 1985. A copy of these rules is attached for your reference. Also attached is a copy of Circular No. VT.(C)85-7 of the Automobile Insurance Plans Service Office (AIPSO) advising member companies that Vermont Insureds must receive identification cards within thirty (30) days of the effective date of their Vermont Plan coverage.

In order to minimize costs and inconvenience and maximize efficiencies to Vermont policyholders, recognizing that AIPSO procedures already provide for timely issuance to Assigned Risk insureds, we are most hopeful that every affected insurance company will provide all of their existing insureds with the required insurance (I.D.) cards by March 1, 1986; and new business policyholders no more than thirty (30) days after the effective date of their insurance.

Thank you for your anticipated assistance and cooperation in this regard.

David T. Bard

COMMISSIONER OF BANKING AND INSURANCE

ATTACHMENT: RULES REGARDING MANDATORY INSURANCE

A. Each insurance company or authorized representative issuing a policy insuring against liability arising out of the ownership, maintenance or use of any motor vehicle which is delivered or issued for delivery in this state shall, at the time of delivery of the policy, issue insurance identification cards to the named insured.

B. Cards shall meet the following specifications:

1. Size of the card may vary from 3 x 2-1/2 TO 5-1/2 x 3-3/4.
2. The card shall be a one-part form on at least 20 pound white paper stock.

3. The following must be shown on the card:

- a. Vermont Automobile Insurance Identification Card.
- b. A statement that the card must be carried in the possession of or in the vehicle of the named insured at all times that the named insured is operating a vehicle.
- c. The name of the insurance company.
- d. The name of the named insured.
- e. The policy number.
- f. The policy effective date and expiration date.
- g. A statement that the policy provides the minimum insurance expressed prescribed by law.
- h. If a vehicle is owned, a description including year, make or model and vehicle identification number of each. If the policy covers five or more vehicles, the word Fleet may be substituted for the vehicle description.

4. At the option of the insurer other information may be included such as company logo, insured's address, agent/broker's office address, what to do in the event of an accident, etc.

5. Temporary identification cards with the same specifications, except that the word temporary must be shown, may be utilized pending receipt of the permanent card by the policyholder. Insurance binders, policies or endorsements may also be utilized as temporary proof of insurance.

C. Each person who has been certified as self-insured by the Commissioner shall prepare an insurance identification card for the use of such person, or may use the certificate of self-insurance furnished by the Commissioner.

D. An insurance identification card shall be produced by the operator of any motor vehicle upon the request of a law enforcement officer.

E. If an operator is unable to produce the card on the request of a law enforcement officer, he or she shall not be charged with a violation of 23 V.S.A. 800 if a card showing coverage in effect on the date of the alleged violation is present to the arresting officer within 15 days of said violation.

F. If a person is licensed to operate by a jurisdiction other than Vermont, the proof of insurance which is accepted in the licensing jurisdiction shall be accepted in this state provided that such proof contains substantially the same information as herein required.

G. Notwithstanding Section B of this rule, for the period from January 1, 1986 through December 31, 1986, inclusive, acceptable proof of insurance shall mean insurance identification cards as specified herein above, insurance policies, binders and endorsements.

CIRCULAR NO.VT (C) 85-7

TO ALL MEMBER COMPANIES OF THE
VERMONT AUTOMOBILE INSURANCE PLAN:

December 23, 1985

Insurance Identification Cards In conjunction with the recently-passed mandatory automobile insurance requirement in Vermont, the State Legislature has revised the administrative rules concerning insurance identification cards, effective January 1, 1986. A copy of the revised rules are attached for your records and information. Please be advised that effective January 1, 1986, all Vermont Plan insureds assigned to your company must receive identification cards from your company within 30 days of the effective date of their Vermont Plan coverage.

John Verruso

TECHNICAL SPECIALIST