

**CHAPTER 221. OBLIGATIONS OF INSURER AND
VEHICLE OWNERS**

- Sec.
221.1. Required financial responsibility.
221.2. Definitions.
221.3. Obligations upon termination of insurance.
221.4. Suspension of vehicle registration.

Authority

The provisions of this Chapter 221 issued under sections 506 and 1502 of The Administrative Code of 1929 (71 P. S. §§ 186 and 412); the Vehicle Code, 75 Pa.C.S. Chapter 17; and the Vehicle Code, 75 Pa.C.S. § 6103, unless otherwise noted.

Source

The provisions of this Chapter 221 adopted September 28, 1984, effective September 29, 1984, 14 Pa.B. 3520; amended February 15, 1985, effective February 16, 1985, 15 Pa.B. 558, unless otherwise noted. Immediately preceding text appears at serial pages (91813) to (91814), and (95363).

§ 221.1. Required financial responsibility.

The Commissioner and the Secretary of Transportation, by this chapter, set forth the obligations of insurers and vehicle owners under 75 Pa.C.S. § 1704 (relating to administration of chapter).

§ 221.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Commissioner—The Insurance Commissioner of the Commonwealth.

Department—The Department of Transportation of the Commonwealth.

Financial responsibility—A motor vehicle liability insurance policy or program of self insurance, complying with the requirements of 75 Pa.C.S. § 1787 (relating to self-insurance) and approved by the Department, covering all motor vehicles registered in a person's name.

Insurance company—A company licensed to write motor vehicle liability insurance in this Commonwealth, or a company which is not authorized to write motor vehicle liability insurance in this Commonwealth but which has filed with the Department a power of attorney under 75 Pa.C.S. § 1782 (relating to manner of providing proof of financial responsibility).

Magnetic tape—A magnetically encoded computer tape which is machine readable by the installed computer system of the Department and which conforms with technical filing specifications set forth by the Department.

NAIC company code number—A unique identification number assigned by the National Association of Insurance Commissioners Central Office to an insurance company.

Servicing agent—A person or organization designated by an insurance company to prepare, transmit or deliver records on magnetic tape on behalf of the insurance company.

§ 221.3. Obligations upon termination of insurance.

(a) *Notice required.* An insurer who has issued a contract of motor vehicle liability insurance and knows or has reason to believe that the contract is for the purpose of providing financial responsibility, shall immediately notify the Department if the insurance has been cancelled or terminated by the insured or by the insurer. The insurer shall notify the Department not later than 10 days following the effective date of the cancellation or termination. This requirement shall not apply to a policy which has been in effect for more than 6 months from the date the policy was initially issued.

(b) *Form of notice.* The notice of cancellation or termination of motor vehicle liability insurance coverage shall be provided by the insurer upon 24 pound paper stock. The form shall be a one-page, single-copy form, printed on both sides, head to head. Additional parts for use by the company may be attached. The finished size shall be 7 3/8 inches wide by 3 1/2 inches high. The window box for the address shall be 3 1/2 inches by 1 inch, located 1/4 inch from the left side of the form, 1 inch from the bottom of the form.

(1) Side one of the form shall be completed by the insurer and filed with the Department. The name of the insurer, preceded by the NAIC Company Code Number, must be preprinted or typed in the area immediately below the title of the form. All information pertaining to the policy number, name and address of the policyholder, effective and termination dates, and vehicle description must be typed or computer produced. Handwritten forms or forms with an inaccurate vehicle description—vehicle identification number—will not be accepted. The name of the vehicle owner shall be provided by the insurer, in addition to that of the policyholder, if the insurer's records indicate that the policyholder is not the owner of the vehicle.

(2) After receipt of the form by the Department, the Department will forward the form to the policyholder who shall, within 10 days of the date printed on the notice, complete side two and return the form to the Bureau of Driver Licensing.

(c) *Magnetic tapes.* Except as provided in subsection (e), the notice of termination shall be transmitted to the Department on a magnetic tape supplied by the insurance company or servicing agent beginning on October 1, 1985, in accordance with technical filing specifications set forth by the Department.

(d) *Notice not required.* An insurer shall not forward a notice of cancellation or termination of motor vehicle liability insurance coverage to the Bureau of Driver Licensing if there is a change in the vehicles to be insured, provided coverage under the policy remains continuously in effect.

(e) *Manual filings.* An insurance company which insures fewer than 10,000 private passenger automobiles in this Commonwealth on a calendar year basis may request authorization from the Commissioner to meet the reporting requirements of subsection (a) in a typed or computer generated format as specified in subsection (b). Requests for authorization must be submitted in writing by an officer of the company and will be approved based upon the company's statement of eligibility. Approval will be conditioned upon the understanding that all required reporting will be provided in a typed or computer generated format specified in subsection (b) until either the company advises the Commissioner in writing that it wishes the authorization to be rescinded or the Commissioner advises the company in writing that it no longer meets the eligibility requirements.

§ 221.4. Suspension of vehicle registration.

Upon failure of the owner to provide the Department with the required evidence of financial responsibility upon the termination or cancellation of motor vehicle liability insurance coverage, the Department will suspend the registration of the vehicle for which the owner has ceased to maintain financial responsibility after first giving the owner written notice. The written notice will be mailed to the owner at his last known address.

[Next page is 223-1.]

221-4

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