

**REPORT OF THE VIRGINIA DEPARTMENT OF
MOTOR VEHICLES**

**Insurance Verification
Program (Chapter 193, 2019)**

TO THE GENERAL ASSEMBLY OF VIRGINIA



SENATE DOCUMENT NO. 3

**COMMONWEALTH OF VIRGINIA
RICHMOND
2025**



Gerald F. Lackey, Ph.D.
Commissioner

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February 22, 2025

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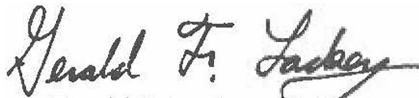
Dear Laura Wilborn:

I transmit to you the accompanying Final Report on the Insurance Verification Program in accordance with Chapter 149, Enactment Clause 3, of the 2019 Acts of Assembly.

Questions about the report may be directed to

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Yours in service,


Gerald F. Lackey, Ph.D.

Insurance Verification Program

Final Report

Virginia Department of Motor Vehicles
December 2024

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Executive Summary

The Department of Motor Vehicles (DMV) is responsible for ensuring that all owners of registered motor vehicles comply with Virginia's insurance laws, referred to in the Code of Virginia as financial responsibility laws. The Insurance Verification Program (IVP or the Program) identifies vehicle owners who are not in compliance. Pursuant to the provisions of the Code, vehicle owners must have liability coverage for their motor vehicle. Before July 1, 2024, vehicle owners had the option to voluntarily pay a \$500 uninsured motorist fee upon registration. Payment of this fee did not provide or substitute for insurance coverage.

Chapters 149 and 193 of the 2019 Acts of Assembly (the Legislation)¹ introduced several improvements to the IVP and directed DMV to report to the General Assembly in December 2024 regarding the Legislation's effectiveness in improving the Program. The Legislation also directed DMV to provide recommendations to address any lack of compliance with Virginia's motor vehicle liability insurance requirements.

Most of the Legislation became effective on July 1, 2019. Portions related to insurance companies furnishing information to DMV did not become effective until January 1, 2020. A separate enactment, SB 951 from the 2023 Regular Session, became effective on July 1, 2024 and eliminated the option for individuals to pay an uninsured motorist fee at registration in lieu of maintaining motor vehicle liability insurance.

The changes made by the Legislation led to several significant improvements in the efficacy of the IVP, significantly reducing the time insurance companies take to report information to DMV and improving DMV's ability to use that information to administer the IVP. The Legislation also introduced new processes and procedures that DMV and customers have effectively used to improve the insurance verification process.

DMV does not recommend further legislation at this time. The Legislation has been successful at addressing the issues that were identified in the 2018 DMV-led stakeholder study report of automotive insurance, which precipitated the legislative changes. Additionally, DMV does not yet have sufficient data to assess the impact of eliminating the uninsured motorist fee on the IVP and the number of uninsured motorists because SB 951 has been effect for only a few months. DMV may have legislative recommendations once those impacts become clearer.

¹ The Legislation can be found in Appendix A of this report.

Introduction

2018 Legislative History

During the 2018 General Assembly session, Senators Newman and Surovell patroned bills to raise Virginia's motor vehicle liability insurance minimum limits. Virginia's minimum liability limits at that time were \$25,000 for bodily injury or death of a person, \$50,000 for bodily injury or death of two or more persons, and \$20,000 for property damage. Senator Newman's SB 364 proposed raising the property damage minimum limit from \$20,000 to \$50,000. Senator Surovell's SB 611 proposed raising all three limits such that a minimum policy would have to provide coverage of at least \$100,000 for bodily injury or death for one person, \$200,000 for bodily injury or death for two or more persons, and \$40,000 for property damage. The Senate Transportation Committee incorporated SB 611 into SB 364 and passed SB 364 with the property damage limit raised to \$50,000.

The House Commerce and Labor Committee considered SB 364 and voted to continue it to 2019 as members expressed concerns as to the impacts of raising Virginia's minimum liability limits. On March 6, 2018, DMV received a study letter from Delegate Terry G. Kilgore, chairman of the committee. In the March 6 letter, Chairman Kilgore requested that DMV prepare an analysis and develop recommendations concerning potential increases to the property damage minimum liability. As DMV began its analysis, then-Commissioner Richard Holcomb and Chairman Kilgore discussed other concerns members had expressed relating to Virginia's motor vehicle insurance industry. As a result of those discussions, Chairman Kilgore sent DMV a second study letter on March 27, expanding his request to include a DMV-led stakeholder study of numerous topics relating to motor vehicle insurance in Virginia.²

In the March 27 letter, Chairman Kilgore requested that DMV convene a stakeholder group to discuss motor vehicle insurance in Virginia and to make recommendations that would increase compliance with Virginia's insurance laws. In particular, Chairman Kilgore requested the DMV-led stakeholder group to study Virginia's insurance minimum liability limits, the uninsured motor vehicle fee, the IVP, proof of insurance at the time of registration, proof of insurance when operating a motor vehicle, information reported to DMV regarding changes in insurance coverage, review of driving records before issuing an insurance policy, and any other relevant aspects of Virginia's minimum motor vehicle financial responsibility requirements.

Chairman Kilgore requested that DMV compile a report containing all stakeholder recommendations and submit it to the House Committee on Commerce and Labor in December 2018.

2018 Automotive Insurance Study

DMV convened four stakeholder meetings attended by representatives of the insurance industry, highway safety advocates, law enforcement representatives, the State Corporation Commission (SCC), and many others. At the first and second meetings, stakeholders reviewed

² Both charge letters from Chairman Kilgore can be found in Appendix B of this report.

Virginia's insurance laws and examined data concerning how successful Virginia's insurance market was in providing insurance coverage to Virginians. In particular, the stakeholders compared Virginia's minimum liability limits, uninsured motorist rates, and average premiums to those of the 50 other U.S. jurisdictions. Based on the provided data, the stakeholder group concluded that Virginia had a robust insurance market that was successful in providing Virginians access to insurance coverage. Because the insurance market was functioning well in Virginia, the stakeholders turned their attention to recommending enhancements to current processes.

In the third and fourth meetings, stakeholders focused on technical improvements to DMV's insurance verification process. Stakeholders were particularly concerned with improving information sharing between insurance companies and DMV to better identify violations of Virginia's insurance laws. By the end of the study, stakeholders agreed to present 23 recommendations to the General Assembly impacting all steps in the insurance verification process that they believed would increase compliance with Virginia's insurance laws.

In five of the 23 recommendations, stakeholders suggested that the General Assembly make no changes to current law. Six other recommendations required only changes to DMV's administrative processes. Finally, stakeholders recommended the General Assembly consider 12 legislative changes, which included improvements to insurance companies' reporting requirements and DMV's insurance verification process, plate surrender process, and non-compliance fee installment payment plan.³

2019 Legislative History

The Legislation, which was based on the recommendations made in the 2018 study, introduced several new requirements for how insurance companies report information to DMV. First, the Legislation mandated that insurance companies report all information to DMV electronically. Second, the Legislation mandated that insurance companies report all required insurance information to DMV within 30 days of a policy change. Finally, the Legislation mandated that insurance companies respond to all DMV requests for acknowledgment by confirming or denying the existence of an insurance policy within 15 days of receiving the request.

The Legislation additionally introduced several improvements to the IVP. First, the Legislation changed the types of policy updates and necessary data fields required to operate the Program. This change, which includes new data points that must be provided by insurance companies, allows DMV to better enforce the Commonwealth's insurance requirements by increasing DMV's ability to correctly identify the affected customer. Second, the Legislation mandated that DMV initiate the insurance verification process following receipt of a report that an insurance company processed an uninsured motorist claim involving an uninsured motor vehicle registered in Virginia. This process involves DMV sending a notice to the identified vehicle's owner requesting the owner's insurance information. If the owner fails to respond to

³ The full text of the 2018 study can be found at <https://rga.lis.virginia.gov/Published/2018/RD602/PDF>.

the notice, is found not to have insurance, or admits to not having insurance, DMV will issue an order of suspension for driving and registration privileges. The Legislation provided that, if a customer opts to surrender their license plates to DMV online or by telephone, they are not entitled to a partial refund of the registration fee. Third, the Legislation authorized DMV to reverse the suspension of a customer's driver's license and registration for noncompliance with Virginia's insurance laws if the customer provided evidence that they were in compliance at the time the suspension was issued. Fourth, the Legislation renamed the fee charged after a violation of Virginia's insurance laws from the "uninsured motor vehicle fee" to the "noncompliance fee," increased the fee from \$500 to \$600, and directed the additional revenue to DMV's special fund to be used for enhancements to the IVP. Fifth, the Legislation also amended Virginia's installment payment program to allow out-of-state individuals to apply for an installment payment plan and to allow customers to enter into a second installment payment plan after defaulting on the first plan. Finally, the Legislation authorized DMV to extend an installment payment due date by up to 30 days when events outside its control adversely affected its ability to accept payment.

2023 Legislation

During the 2023 General Assembly session, Senator Ruff patroned SB 951, which repealed the option to register an uninsured motor vehicle upon payment of the \$500 uninsured motorist fee effective July 1, 2024. SB 951 additionally authorized DMV to continue registering uninsured vehicles from July 1, 2023, to July 1, 2024, with the caveat that all such registrations must expire before July 1, 2024. SB 951 passed both houses of the legislature and was signed by Governor Youngkin on March 26, 2023. In accordance with this legislation, DMV ceased to offer the option to register an uninsured motor vehicle on July 1, 2024.⁴ In FY 2023, the last year that the uninsured motorist fee option was available, 6,097 individuals opted to pay the uninsured motorist fee.

Virginia's Insurance Verification Program

Overview of the Program

DMV is responsible for ensuring that all owners of registered motor vehicles comply with Virginia's insurance laws, referred to in the Code of Virginia as financial responsibility laws. The IVP identifies vehicle owners who are not in compliance. Pursuant to the provisions of the Code, vehicle owners must have liability coverage for their motor vehicle. Before July 1, 2024, vehicle owners had the option to voluntarily pay a \$500 uninsured motorist fee upon registration. Payment of this fee did not provide or substitute for insurance coverage. As discussed above, SB 951 eliminated the uninsured motorist fee option as of July 1, 2024.

The IVP comprises four components: (i) Electronic Motor Vehicle Liability Insurance Reporting; (ii) Suspected Uninsured Crash Reports; (iii) Law Enforcement Notification; and (iv) Citizen Information/Police Crash Reports. These components are discussed in greater detail below. Within each component, DMV makes every effort to obtain the correct insurance

⁴ SB 951 can be found in Appendix C of this report.

information from owners before taking action to suspend an owner's driving and registration privileges. If an owner responds with incomplete or inaccurate data, DMV sends a written notice to the owner requesting correct or additional information.

Once DMV receives insurance information from the owner, the agency verifies the information with the insurance company named by the owner. If the specified company denies that a vehicle is covered, DMV requests the owner to provide correct insurance information or to resolve the problem with the insurance company. DMV issues an order of suspension for driving and registration privileges only if the owner fails to respond, is found not to have insurance, or admits to not having insurance.

Customers are given the opportunity to comply with Virginia's financial responsibility laws before a penalty is imposed. Customers are given additional time to either reinsure their vehicle or to surrender to DMV the license plates assigned to the uninsured vehicle. Customers who fail to respond will have their driving and registration privileges suspended.

To reinstate driving and registration privileges, the owner must pay a \$600 penalty and file proof of financial responsibility for a period of three years. To provide this proof, referred to as proof of financial responsibility in the future, the customer must submit a completed SR-22 form from their insurance company to DMV. The insurance company will notify DMV if coverage is cancelled during this period. If cancelled, DMV will issue an order of suspension for failure to maintain the proof of financial responsibility.

Summary of Program Activities

The Electronic Motor Vehicle Liability Insurance Reporting process is the cornerstone of all verification activities. This component is essentially a three-step process activated by an individual registering a vehicle and certifying to DMV that the vehicle is insured, or by canceling liability insurance.

The Electronic Motor Vehicle Liability Insurance Reporting process begins with DMV verifying the individual's insurance coverage using the monthly updates generated from information provided by insurance companies. As mandated by the Legislation, the automated system requires insurance companies to send electronic updates of insurance information and vehicle descriptions to DMV when vehicle owners cancel or reinstate an insurance policy for a vehicle registered in Virginia, add a newly registered vehicle to an existing policy, or buy a new policy for vehicles registered or subject to registration in Virginia. Once DMV receives the electronic submission from the insurance company, the agency electronically compares these updates with motor vehicle registration records from its customers' files to identify vehicles that may be uninsured.

DMV sends a notice requesting a vehicle owner's insurance information to owners who it identifies as having a vehicle not covered by a policy or having cancelled an existing policy without cancelling the associated vehicle's registration for a period of 45 days. If the vehicle owner fails to respond to the notice, is found not to have insurance, or admits to not having insurance, DMV issues an order of suspension for driving and registration privileges.

The Law Enforcement Notification process, another verification activity, is initiated when police officers require an individual to provide insurance information to DMV. Usually this occurs when the individual is asked for proof of insurance at a roadside spot check or if there is probable cause to initiate a stop for a moving traffic violation and the driver is unable to provide proof of insurance. Should DMV find the individual to be uninsured as a result of this process, it issues an order of suspension for driving and registration privileges.

The Suspected Uninsured Crash Report process is the third verification activity in the IVP. This process allows an individual to voluntarily file a crash report with DMV and, as a part of the report, to indicate that there is reason to believe the other party involved in the crash was uninsured. When DMV receives such a report, it sends a request for insurance information to the driver specified in the report. If the driver fails to respond or is found to have no insurance, DMV issues an order of suspension for driving and registration privileges.

The Citizen Information/Police Crash Report process is the final verification activity in the IVP. The Citizen Information/Police Crash Report uses police crash reports and citizen-initiated documentation to identify potentially uninsured vehicles. In both processes, third party informants are used to collect information on suspected uninsured vehicles. DMV reviews the crash reports and customer documentation for insurance and determines if there is a need to issue a request for insurance information. If DMV requests information and the driver fails to respond or is found to have no insurance, the agency issues an order of suspension for driving and registration privileges.

Effectiveness of the Legislation in Improving the Insurance Verification Program

As discussed previously, the Legislation introduced several improvements to the IVP. These changes served to reduce wait times on reporting from insurance companies, improve the effectiveness of identifying customers during the insurance verification process, and increased funding for IVP improvements. The specific changes mandated by the Legislation, and their impact on the IVP, are discussed in greater detail below.

First, the Legislation required insurance companies to report all mandatory insurance information to DMV within 30 days of a policy change. The Legislation additionally required insurance companies to respond to all requests from DMV for acknowledgment by confirming or denying the existence of an insurance policy within 15 days of receiving the request. The Legislation also required insurance companies to report all necessary insurance information to the DMV electronically. DMV tracks electronic submissions for insurance policy updates, requests for acknowledgment confirming or denying the existence of an insurance policy, and reports satisfying or terminating proof of financial responsibility. The noncompliance percentages for insurers reporting electronically are currently 0%, 30% and 43%, respectively.⁵

⁵ DMV is currently exploring options to address the higher percentages of noncompliance associated with requests for acknowledgment confirming or denying the existence of an insurance policy and reports satisfying or terminating proof of financial responsibility without

DMV found that the Legislation did not materially affect the number of records transmitted to DMV. In the 2018, the last full year before the Legislation became effective, insurance companies transmitted approximately 6.4 million updates. DMV received a comparable number of updates (6.3 million) per year in FYs 2021, 2022, and 2023.

However, the requirement that insurance companies report all required insurance information to DMV within 30 days of a policy change has led to a substantial reduction in reporting time. Currently, the average number of days to report is 7 days compared to an average of 28 days in 2018. The requirement that insurance companies must respond to all DMV acknowledgment requests by confirming or denying the existence of an insurance policy within 15 days of receiving the request has led to a substantial decrease in reporting time as well. Currently, the average number of days to respond to a request is 16 days compared to an average of 32 days in 2018.

The Legislation also required DMV to initiate the insurance verification process following receipt of a report that it processed an uninsured motorist claim involving an uninsured motor vehicle registered in Virginia. To implement this new requirement, DMV created a new form, the FR205, which insurance companies use to initiate this process when they pay claims involving uninsured motorists. DMV receives approximately 1,000 of these forms annually and begins the insurance verification process upon receipt of the form.

The Legislation additionally changed the types of insurance policy updates and necessary data fields required to operate the IVP. Specifically, the Legislation added the requirement that every report of a policy change must include the vehicle identification number, full name of the first named insured individual, and the vehicle make and model year. The update must also include the date of birth for the first named insured individual, full names and dates of birth for all of the vehicle operators, and the Virginia drivers' license numbers or social security numbers for the first named insured and all vehicle operators, if the information is available. Adding the requirement that the insurance companies provide the Virginia drivers' license numbers or social security numbers for the first named insured and all vehicle operators, if they are available, has led to a reduction of 1% (from 4% to 3%) in the percentage of cancellation reports that are missing this information. Because DMV cannot initiate the IVP using records without such information identifying the affected customer, this change has allowed DMV to better enforce the Commonwealth's insurance requirements.

The Legislation also authorized DMV to reverse the suspension of a customer's driver's license and registration if the customer provides evidence that they were in compliance with Virginia's insurance laws at the time the suspension was issued. During the period of 2012 through 2018, before the Legislation took effect, DMV issued a suspension notice to

additional legislation, such as reporting noncompliant companies to the State Corporation Commission's Bureau of Insurance and rejecting non-electronic submissions from insurance companies. Should DMV determine that additional legislation is necessary to address these noncompliance rates, the agency will work with the General Assembly to develop such legislation at that time.

approximately 23.2% of individuals annually that received a notice from DMV requesting insurance information. Since the enactment of the Legislation, DMV issued a suspension notice to approximately 36.1% of individuals annually that received a notice from DMV requesting insurance information. The 13% increase in the number of notices of suspension following a request for insurance information shows the increased efficacy of the IVP in identifying uninsured motorists resulting from the enactment of the Legislation.

During the 2012 through 2018 period, when customers lacked an option to provide evidence that they were in compliance with Virginia's insurance laws, an average of approximately 50.7% (34,531 individuals) paid the noncompliance fee annually. Since the enactment of the Legislation allowing for individuals to provide evidence that they were in compliance, an average of approximately 35.6% (50,366 individuals) paid the noncompliance fee annually. Although the percentage of customers paying the noncompliance fee has gone down, the average number of individuals who paid the fee annually is significantly higher than pre-legislation numbers. The increase in the *number* of customers paying the fee, juxtaposed with the lower *percentage*, indicates that DMV is identifying more customers who are not complying with Virginia's insurance laws now than before the General Assembly enacted the Legislation.

The Legislation also increased the noncompliance fee charged after a violation of Virginia's insurance laws from \$500 to \$600 and instructed DMV to direct the additional revenue to DMV's special fund for enhancements to the IVP. This fee increase generated approximately \$6,112,000 in FY 2020, \$4,059,900 in FY 2021, \$4,138,500 in FY 2022, \$4,417,900 in FY 2023, and \$3,612,100 in FY 2024. As of June 30, 2024 (the last full fiscal year for which DMV has data available), the Legislation had generated a cumulative \$22,340,400 for enhancements to the IVP.

Finally, the Legislation made several changes to Virginia's installment payment program. First, the Legislation extended eligibility for a payment plan to non-resident drivers. Since that provision took effect, 2,371 non-residents have made use of that option. DMV created a web-based option for non-resident drivers to apply for a payment plan and extended the online application to Virginia drivers as well. To date, 13,726 Virginia residents have entered into an installment payment plan online. Second, the Legislation authorized individuals to enter into a second installment payment plan after defaulting on the first plan. Approximately 14,000 drivers per year, or 1,500 drivers per month, enter into a second installment payment plan after defaulting on the first plan. Finally, the Legislation authorized DMV to extend the due date of an installment payment by up to 30 days when events outside of DMV's control adversely affect its ability to accept payment. To date, DMV has invoked this option only once: during the COVID-19 pandemic when individuals were unable to visit customer service centers to make payments. These changes provided additional avenues to help these vehicle owners to come into compliance with Virginia's insurance requirements.

Recommended Legislative Changes

The Legislation directed DMV to provide recommendations in this report to address any lack of compliance with Virginia's liability insurance requirements. As outlined, the Legislation

has led to significant improvements in many key areas of the IVP and has adequately addressed the issues raised in the 2018 study. Additionally, DMV is actively exploring non-legislative approaches to address certain noncompliance rates, as described in footnote 8. Therefore, DMV does not currently recommend further legislative actions to enhance the IVP.

Moreover, the repeal of the uninsured motorist fee, effective as of July 1 this year, is expected to have a notable impact on uninsured motorist rates. However, these effects are not yet reflected in DMV's data. As this data evolves, DMV will reassess whether additional legislative changes are necessary to further support the IVP.

Conclusion

The Legislation has resulted in significant improvements to the IVP by addressing the issues highlighted in the 2018 study. Due to the limited time since the repeal of the uninsured motorist fee and the current lack of mature data to evaluate its effects, DMV does not recommend additional legislative changes at this time. If future analysis indicates the need for further legislative action, the agency will work with the General Assembly to develop such legislation.

Appendix A: Enacting Legislation

Chapters 149 and 193 of the 2019 Acts of Assembly

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-688, 46.2-706 through 46.2-708, and 46.2-710 of the Code of Virginia are amended and reenacted as follows:

§ 46.2-688. Refund of fees paid.

Any person holding a registration card and license plate or license plates with decal who disposes of, elects not to use the vehicle for which it was issued on the highways in the Commonwealth, or transfers another valid license plate to the vehicle, may surrender, prior to the beginning of the registration period, the license plates or license plates with decals and registration card or provide other evidence of registration of the vehicle to the Commissioner with a statement that the vehicle for which the license plate or license plate with decal was issued has been disposed of, election has been made not to use the vehicle on the highways in the Commonwealth, or another valid license plate has been transferred to the vehicle and request a refund of the fee paid. The Commissioner shall retain five dollars of the fee to cover the costs incurred in issuing the plates and processing the refund.

The Commissioner shall refund to the applicant a proration, in six-month increments, of the total cost of the registration and license plates or license plates with decals if application for the refund is made when there are six or more months remaining in the registration period. *The Commissioner shall not provide a refund when otherwise eligible if the applicant chooses not to return the license plates to the Department.* No charge or deduction shall be assessed for any refund made under this subsection.

§ 46.2-706. Additional fee; proof of insurance required of applicants for registration of insured motor vehicles; verification of insurance; suspension of driver's license, registration certificates, and license plates for certain violations.

A. In addition to any other fees prescribed by law, every person registering an uninsured motor vehicle, as defined in § 46.2-705, at the time of registering or reregistering the uninsured vehicle, shall pay a fee of \$500; however, if the uninsured motor vehicle is being registered ~~or reregistered~~ for a period of less than a full year, the uninsured motor vehicle fee shall be prorated for the unexpired portion of the registration period. If the vehicle is a motor vehicle being registered ~~or reregistered~~ as provided in subsection B of § 46.2-697, the fee shall be one-fourth of the annual uninsured motor vehicle fee for each quarter for which the vehicle is registered.

B. If the owner of a motor vehicle registered under this article as an uninsured motor vehicle, during the period for which such vehicle is registered, obtains insurance coverage adequate to permit such vehicle's registration as an insured motor vehicle and presents evidence satisfactory to the Commissioner of the existence of such insurance coverage, the Commissioner shall amend the Department's records to show such vehicle to be registered as an insured motor vehicle and

shall refund to the owner a prorated portion of the additional fee required by this section for registration of an uninsured motor vehicle. Such proration shall be on a monthly basis, except that no such refund shall be made (i) as to any registration during the last three months of its validity or (ii) on any portion of any such fee required to be paid resulting from a determination by the Department or any court that a vehicle was uninsured and no fee had been paid.

C. Every person applying for registration of a motor vehicle and declaring it to be an insured motor vehicle shall, under the penalties set forth in § 46.2-707, execute and furnish to the Commissioner his certificate that the motor vehicle is an insured motor vehicle as defined in § 46.2-705, or that the Commissioner has issued to its owner, in accordance with § 46.2-368, a certificate of self-insurance applicable to the vehicle sought to be registered. The Commissioner, or his duly authorized agent, may verify that the motor vehicle is properly insured by comparing owner and vehicle identification information on file at the Department of Motor Vehicles with liability information on the owner and vehicle transmitted to the Department by any insurance company licensed to do business in the Commonwealth as provided in § 46.2-706.1. If no record of liability insurance is found, the Department may require the motor vehicle owner to verify insurance in a method prescribed by the Commissioner.

D. The refusal or neglect of any owner within 30 days to submit the liability insurance information when required by the Commissioner or his duly authorized agent, or the electronic notification by the insurance company or surety company that the policy or bond named in the certificate of insurance is not in effect, shall require the Commissioner to suspend any driver's license and all registration certificates and license plates issued to the owner of the motor vehicle until the person (i) has paid to the Commissioner a *noncompliance* fee of ~~\$500~~ \$600 to be disposed of as provided for in § 46.2-710 ~~with respect to the motor vehicle determined to be uninsured~~ and (ii) furnishes proof of financial responsibility for the future in the manner prescribed in Article 15 (§ 46.2-435 et seq.) of Chapter 3. No order of suspension required by this section shall become effective until the Commissioner has offered the person an opportunity for an administrative hearing to show cause why the order should not be enforced. Notice of the opportunity for an administrative hearing may be included in the order of suspension. Any request for an administrative hearing made by such person must be received by the Department within 180 days of the issuance date of the order of suspension unless the person presents to the Department evidence of military service as defined by the federal Servicemembers Civil Relief Act (50 U.S.C. § 3901 et seq.), incarceration, commitment, hospitalization, or physical presence outside the United States at the time the order of suspension was issued. When three years have elapsed from the effective date of the suspension required in this section, the Commissioner may relieve the person of the requirement of furnishing proof of future financial responsibility.

E. The Commissioner shall suspend the driver's license and all registration certificates and license plates of any person on receiving a record of his conviction of a violation of any provisions of § 46.2-707, but the Commissioner shall dispense with the suspension when the person is convicted for a violation of § 46.2-707 and the Department's records show conclusively that the motor vehicle was insured or that the fee applicable to the registration of an uninsured motor vehicle has been paid by the owner prior to the date and time of the alleged offense.

F. The Commissioner may dispense with a suspension for a violation of this section or § 46.2-708 if the person determined to have committed the violation provides to the Commissioner proof that conclusively shows that the motor vehicle in question was insured at the time the Department initiated insurance monitoring under § 46.2-706 or at the time of a violation of § 46.2-708.

§ 46.2-706.1. Insurance and surety companies to furnish certain insurance information.

A. Any liability insurance information relating to individually identified vehicles or persons, received from such companies under this section, shall be considered privileged information and not subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

B. Such information shall be used in conjunction with information supplied under § 46.2-706 to verify insurance for motor vehicles certified by their owners to be insured.

C. Insurance companies licensed to do business in Virginia shall provide to the Department ~~monthly electronic~~, *electronically in a manner prescribed by the Commissioner*, updates of insured information and vehicle descriptions required by the Commissioner when they (i) ~~cancel within 30 days of a policy change to liability insurance for vehicles a vehicle~~ registered in Virginia, (ii) ~~add including liability insurance for vehicles registered in Virginia~~, or (iii) ~~provide liability insurance for vehicles registered in Virginia newly satisfying that satisfies~~ financial responsibility requirements. A policy change occurs 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 a vehicle to an existing liability insurance policy.

D. Insurance companies licensed to do business in Virginia shall respond electronically in a manner prescribed by the Commissioner to a Department request for acknowledgment of liability insurance within 15 days of receiving the request. Insurance companies shall respond to the request by confirming or denying the existence of a policy with the company.

E. Every update of a policy change concerning a liability insurance policy shall include the following information: vehicle identification number, full name of first named insured, vehicle make, and vehicle model year. If available, the following information shall also be included: date of birth for first named insured, full names and dates of birth for all vehicle operators, and Virginia drivers' license numbers or social security numbers for the first named insured and all vehicle operators.

§ 46.2-707. Operating uninsured motor vehicle without payment of fee; verification of insurance; false evidence of insurance.

Any person who owns an uninsured motor vehicle (i) licensed in the Commonwealth, (ii) subject to registration in the Commonwealth, or (iii) displaying temporary license plates provided for in § 46.2-1558 who operates or permits the operation of that motor vehicle without first having paid

to the Commissioner the uninsured motor vehicle fee required by § 46.2-706, to be disposed of as provided by § 46.2-710, shall be guilty of a Class 3 misdemeanor.

Any person who is the operator of such an uninsured motor vehicle and not the titled owner, who knows that the required fee has not been paid to the Commissioner, shall be guilty of a Class 3 misdemeanor.

The Commissioner or his duly authorized agent, having reason to believe that a motor vehicle is being operated or has been operated on any specified date, may require the owner of such motor vehicle to verify insurance in a method prescribed by the Commissioner as provided for by § 46.2-706. The refusal or neglect of the owner who has not, prior to the date of operation, paid the uninsured motor vehicle fee required by § 46.2-706 as to such motor vehicle, to provide such verification shall be prima facie evidence that the motor vehicle was an uninsured motor vehicle at the time of such operation.

Any person who falsely verifies insurance to the Commissioner or gives false evidence that a motor vehicle sought to be registered is an insured motor vehicle, shall be guilty of a Class 3 misdemeanor.

However, the foregoing portions of this section shall not be applicable if it is established that the owner had good cause to believe and did believe that such motor vehicle was an insured motor vehicle, in which event the provisions of § 46.2-609 shall be applicable.

Any person who owns an uninsured motor vehicle (i) licensed in the Commonwealth, (ii) subject to registration in the Commonwealth, or (iii) displaying temporary license plates provided for in § 46.2-1558, and who has not paid the uninsured motor vehicle fee required by § 46.2-706, shall immediately surrender the vehicle's license plates to the Department, unless the vehicle's registration has been deactivated as provided by § 46.2-646.1. Any person who fails to immediately surrender his vehicle's license plates as required by this section is guilty of a Class 3 misdemeanor.

Abstracts of records of conviction, as defined in this title, of any violation of any of the provisions of this section shall be forwarded to the Commissioner as prescribed by § 46.2-383.

The Commissioner shall suspend the driver's license and all registration certificates and license plates of any titled owner of an uninsured motor vehicle upon receiving a record of his conviction of a violation of any provisions of this section, and he shall not thereafter reissue the driver's license and the registration certificates and license plates issued in the name of such person until such person pays ~~the a noncompliance fee applicable to the registration of an uninsured motor vehicle as prescribed in § 46.2-706~~ of \$600 to be disposed of as provided for in § 46.2-710 and furnishes proof of future financial responsibility as prescribed by Article 15 (§ 46.2-435 et seq.) of Chapter 3 of this title. However, when three years have elapsed from the date of the suspension herein required, the Commissioner may relieve such person of the requirement of furnishing proof of future financial responsibility. When such suspension results from a conviction for presenting or causing to be presented to the Commissioner false

verification as to whether a motor vehicle is an insured motor vehicle or false evidence that any motor vehicle sought to be registered is insured, then the Commissioner shall not thereafter reissue the driver's license and the registration certificates and license plates issued in the name of such person so convicted for a period of 180 days from the date of such order of suspension, and only then when all other provisions of law have been complied with by such person.

The Commissioner shall suspend the driver's license of any person who is the operator but not the titled owner of a motor vehicle upon receiving a record of his conviction of a violation of any provisions of this section and he shall not thereafter reissue the driver's license until 30 days from the date of such order of suspension.

§ 46.2-707.1. Noncompliance fee payment plan.

A. The Department may establish ~~an uninsured motor vehicle~~ *a noncompliance* fee payment plan to allow individuals to pay the fees for a motor vehicle determined to be uninsured as prescribed in § 46.2-706, 46.2-707, or 46.2-708. Notwithstanding §§ 46.2-706, 46.2-707, and 46.2-708, ~~a Virginia resident~~ *an individual* 18 years of age or older whose driver's license and vehicle registration have been suspended pursuant to § 46.2-706, 46.2-707, or 46.2-708 may apply to the Department to enter into a payment plan agreement with a duration of no more than three years from the agreement date, referred to in this section as the "payment plan period."

B. To be eligible to enter into the payment plan, the individual must (i) have one or more outstanding suspensions of driving privileges pursuant to the provisions of § 46.2-706, 46.2-707, or 46.2-708 and have no other outstanding suspensions or revocations; (ii) meet all other conditions for reinstatement of driving privileges; and (iii) have ~~never~~ *not* defaulted ~~twice~~ *on a prior* the same uninsured motor vehicle payment plan agreement.

C. An eligible individual who ~~enters~~ *pays a \$25 administrative fee when entering* into a payment plan agreement *or when reentering into a payment plan agreement* with the Department, ~~pays a \$25 administrative fee~~, and pays the reinstatement fee pursuant to §§ 46.2-333.1 and 46.2-411, if required, shall be eligible to have his driving privileges reinstated by the Department.

D. The amount and frequency of each payment and the duration of the payment plan shall be described in the payment plan agreement signed by the Department and the individual. Payments may be made in person, online, *by telephone*, or by mail. The full fee must be paid in no more than three years from the agreement date; however, an individual may repay the balance of the fee at any time during the payment plan period with no penalty.

E. If an individual defaults on the payment plan agreement, the Commissioner shall suspend the driver's license and all registration certificates and license plates issued to the owner of the motor vehicle determined to be uninsured. Such driver's license, registration certificates, and license plates shall remain suspended until the individual pays the balance of the fee applicable to the registration of an uninsured motor vehicle as prescribed in § 46.2-706, 46.2-707, or 46.2-708 and furnishes proof of future financial responsibility as prescribed by Article 15 (§ 46.2-435 et seq.) of Chapter 3. An individual is in default if he (i) pays an installment payment late as

defined in the payment plan agreement or (ii) fails to make an installment payment as agreed to in the payment plan agreement. If an individual is in default *and is ineligible to reenter the payment plan*, full payment of the balance of the fee shall be due as agreed to in the payment plan agreement. *The Commissioner may extend the due date of any installment payment for not more than 30 days if the Department is unable to process an installment payment due to circumstances beyond its control.*

F. When all fees are paid, the individual shall continue to furnish proof of financial responsibility pursuant to Article 15 (§ 46.2-435 et seq.) of Chapter 3 and § 46.2-709.

G. Installment payments of the fee with respect to the motor vehicle determined to be uninsured shall be disposed of pursuant to § 46.2-710. The administrative fee shall be paid to the Commissioner and deposited into the state treasury account set aside in a special fund to be used to meet the necessary expenses incurred by the Department.

§ 46.2-708. Suspension of driver's license and registration when uninsured motor vehicle is involved in reportable accident; hearing prior to suspension.

When it appears to the Commissioner from the records of his office *or from a report submitted by an insurance company licensed to do business in the Commonwealth* that an uninsured motor vehicle as defined in § 46.2-705, subject to registration in the Commonwealth, is involved in a reportable accident in the Commonwealth resulting in death, injury or property damage with respect to which motor vehicle the owner thereof has not paid the uninsured motor vehicle fee as prescribed in § 46.2-706, the Commissioner shall, in addition to enforcing the applicable provisions of Article 13 (§ 46.2-417 et seq.) of Chapter 3, suspend such owner's driver's license and all of his license plates and registration certificates until such person has complied with Article 13 of Chapter 3 and has paid to the Commissioner a *noncompliance* fee of ~~\$500~~ \$600, to be disposed of as provided by § 46.2-710, with respect to the motor vehicle involved in the accident and furnishes proof of future financial responsibility in the manner prescribed in Article 15 (§ 46.2-435 et seq.) of Chapter 3. However, no order of suspension required by this section shall become effective until the Commissioner has offered the person an opportunity for an administrative hearing to show cause why the order should not be enforced. Notice of the opportunity for an administrative hearing may be included in the order of suspension. Any request for an administrative hearing made by such person must be received by the Department within 180 days of the issuance date of the order of suspension unless the person presents to the Department evidence of military service as defined by the federal Servicemembers Civil Relief Act (50 U.S.C. § 3901 et seq.), incarceration, commitment, hospitalization, or physical presence outside the United States at the time the order of suspension was issued.

However, when three years have elapsed from the effective date of the suspension herein required, the Commissioner may relieve such person of the requirement of furnishing proof of future financial responsibility. The presentation by a person subject to the provisions of this section of a certificate of insurance, executed by an agent or representative of an insurance company qualified to do business in this Commonwealth, showing that on the date and at the time of the accident the vehicle was an insured motor vehicle as herein defined, or, presentation

by such person of evidence that the additional fee applicable to the registration of an uninsured motor vehicle had been paid to the Department prior to the date and time of the accident, shall be sufficient bar to the suspension provided for in this section.

§ 46.2-710. Disposition of funds collected.

From every noncompliance fee collected by the Commissioner under the provisions of this article, the Commissioner shall retain \$100 to be placed in a special fund in the state treasury to be used to meet the expenses of the Department. All other funds collected by the Commissioner under the provisions of this article shall be paid into the state treasury and held in a special fund to be known as the Uninsured Motorists Fund to be disbursed as provided by law. The Commissioner may expend ~~monies~~ moneys from such funds, for the administration of this article, in accordance with the ~~General Appropriations Act~~ general appropriation act.

2. That the provisions of this act amending and reenacting § 46.2-706.1 of the Code of Virginia shall become effective on January 1, 2020.

3. That in December 2024 the Department of Motor Vehicles shall report to the General Assembly regarding the effectiveness of the provisions of this act in improving the Department of Motor Vehicles' Insurance Verification Program. The report shall provide recommendations to address any lack of compliance with the Commonwealth's motor vehicle liability insurance requirements.

Appendix B: 2018 Charge Letters from Chairman Kilgore



COMMONWEALTH OF VIRGINIA
HOUSE OF DELEGATES
RICHMOND

TERRY G. KILGORE
POST OFFICE BOX 669
GATE CITY, VIRGINIA 24251

FIRST DISTRICT

COMMITTEE ASSIGNMENTS:
COMMERCE AND LABOR (CHAIRMAN)
COURTS OF JUSTICE
RULES

March 6, 2018

Richard D. Holcomb, Commissioner
Department of Motor Vehicles
Post Office Box 27412
Richmond, Virginia 23269

Re: Senate Bill 364

Dear Commissioner Holcomb:

During the 2018 Session, the House Committee on Commerce and Labor requested that I ask the Department of Motor Vehicles to prepare an analysis and develop recommendations regarding the issues raised by the amendment in the nature of a substitute adopted by the House Committee on Commerce and Labor to Senate Bill 364.

Senate Bill 364, introduced by Senator Newman, would increase the minimum liability coverage amount from \$20,000 to \$50,000 for injury to or destruction of property of others in any one accident. A copy of the substitute to Senate Bill 364 is attached.

Please complete your work on and advise me by letter of the results of the Department's efforts prior to the 2019 Session of the General Assembly.

Your attention to this request is greatly appreciated.

Sincerely,

Terry G. Kilgore, Chairman
Committee on Commerce and Labor

Encl: Substitute to SB 364 (LD 18107917D)

cc: The Honorable Stephen D. Newman



TERRY G. KILGORE
FIRST DISTRICT

COMMONWEALTH OF VIRGINIA
HOUSE OF DELEGATES
RICHMOND

COMMITTEE ASSIGNMENTS:
COMMERCE AND LABOR (CHAIRMAN)
COURTS OF JUSTICE
RULES

March 27, 2018

Mr. Richard D. Holcomb
Commissioner
Virginia Department of Motor Vehicles
P.O. Box 27412
2300 West Broad Street
Richmond, Virginia 23269

Dear Commissioner Holcomb:

During the 2018 General Assembly Session, Senate Bill 364, patroned by Senator Newman, was introduced raising the minimum motor vehicle liability insurance requirement threshold for property damage from \$20,000 to \$50,000. In addition to my March 6th letter requesting the Department of Motor Vehicles (DMV) study this issue, I ask that the study include the issues and stakeholders detailed below.

The study should include a review of DMV's Insurance Verification Program, the Uninsured Motor Vehicle Fee (UMV fee), whether to require proof of insurance at the time of registration and when operating a motor vehicle, what information is reported to DMV regarding changes in insurance coverage, whether insurance companies should review an individual's driving record before issuing an insurance policy, and any other relevant aspects of Virginia's minimum motor vehicle financial responsibility requirements.

The stakeholder group shall include representatives from the State Corporation Commission, insurance industry, trial attorneys, law enforcement, and other relevant stakeholders. The stakeholder group shall review Virginia's current requirements and processes to determine how to increase compliance with Virginia's financial responsibility requirements, including ways to incentivize compliance.

I request that DMV report back to the Committee on Commerce and Labor in December of 2018 with the results of the study and the stakeholder group's recommendations. The report should include any proposed legislation that would be necessary in order to pursue the recommendations and the costs to implement such legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Kilgore". The signature is written in a cursive, slightly slanted style.

Terry Kilgore, Chairman
Committee on Commerce and Labor

cc: The Honorable Stephen D. Newman, Senator

Appendix C: 2023 Legislation

Chapter 538 of the 2023 Acts of Assembly

Be it enacted by the General Assembly of Virginia:

1. That §§ 8.01-66.1, 46.2-214.3, 46.2-646, 46.2-646.1, 46.2-706, 46.2-707, 46.2-707.1, 46.2-708, 46.2-902.1, and 46.2-1530 of the Code of Virginia are amended and reenacted as follows:

§ 8.01-66.1. Remedy for arbitrary refusal of motor vehicle insurance claim.

A. Whenever any insurance company licensed in this Commonwealth to write insurance as defined in § 38.2-124 denies, refuses or fails to pay to its insured a claim of \$3,500 or less in excess of the deductible, if any, under the provisions of a policy of motor vehicle insurance issued by such company to the insured and it is subsequently found by the judge of a court of proper jurisdiction that such denial, refusal or failure to pay was not made in good faith, the company shall be liable to the insured in an amount double the amount otherwise due and payable under the provisions of the insured's policy of motor vehicle insurance, together with reasonable attorney's fees and expenses.

The provisions of this subsection shall be construed to include an insurance company's refusal or failure to pay medical expenses to persons covered under the terms of any medical payments coverage extended under a policy of motor vehicle insurance, when the amount of the claim therefor is \$3,500 or less and the refusal was not made in good faith.

B. Notwithstanding the provisions of subsection A, whenever any insurance company licensed in this Commonwealth to write insurance as defined in § 38.2-124 denies, refuses or fails to pay to a third party claimant, on behalf of an insured to whom such company has issued a policy of motor vehicle liability insurance, a claim of \$3,500 or less made by such third party claimant and if the judge of a court of proper jurisdiction finds that the insured is liable for the claim, the third party claimant shall have a cause of action against the insurance company. If the judge finds that such denial, refusal or failure to pay was not made in good faith, the company, in addition to the liability assumed by the company under the provisions of the insured's policy of motor vehicle liability insurance, shall be liable to the third party claimant in an amount double the amount of the judgment awarded the third party claimant, together with reasonable attorney's fees and expenses.

C. Notwithstanding the provisions of subsections A and B, whenever any person who has ~~paid a fee to the Department of Motor Vehicles to register an uninsured motor vehicle pursuant to § 46.2-706 or any person who has~~ furnished proof of financial responsibility in lieu of obtaining a policy or policies of motor vehicle liability insurance pursuant to the provisions of Title 46.2 or any person who is required and has failed ~~either to pay such fee or to furnish such proof pursuant to the provisions of Title 46.2~~ denies, refuses, or fails to pay to a claimant a claim of \$3,500 or less made by such claimant as a result of a motor vehicle accident; and if the trial judge of a court of proper jurisdiction finds that such denial, refusal, or failure to pay was not made in good

faith, such person shall be liable to the claimant in an amount double the amount otherwise due and payable together with reasonable ~~attorney's~~ attorney fees and expenses.

For the purposes of this subsection ~~C~~, "person" ~~shall mean~~ means and ~~include~~ includes any natural person, firm, partnership, association, or corporation.

D. 1. Whenever a court of proper jurisdiction finds that an insurance company licensed in this Commonwealth to write insurance as defined in § 38.2-124 denies, refuses or fails to pay to its insured a claim of more than \$3,500 in excess of the deductible, if any, under the provisions of a policy of motor vehicle insurance issued by such company to the insured and it is subsequently found by the judge of a court of proper jurisdiction that such denial, refusal or failure to pay was not made in good faith, the company shall be liable to the insured in the amount otherwise due and payable under the provisions of the insured's policy of motor vehicle insurance, plus interest on the amount due at double the rate provided in § 6.2-301 from the date that the claim was submitted to the insurer or its authorized agent, together with reasonable attorney's fees and expenses.

2. The provisions of this subsection shall be construed to include an insurance company's refusal or failure to pay medical expenses to persons covered under the terms of any medical payments coverage extended under a policy of motor vehicle insurance when the refusal was not made in good faith.

§ 46.2-214.3. Discount for multiyear registration.

A. Pursuant to subsection C of § 46.2-646, for each motor vehicle, trailer, or semitrailer registered, the Commissioner may offer, at his discretion, a discount for multiyear registrations of such vehicles. The discount shall be equal to \$1 for each year of the multiyear registration or fraction thereof. The discount shall not be applicable to any motor vehicle, trailer, or semitrailer registered ~~(i) under the International Registration Plan or (ii) as an uninsured motor vehicle~~. When this option is offered and chosen by the registrant, all annual and 12-month fees due at the time of registration shall be multiplied by the number of years or fraction thereof that the vehicle will be registered.

B. In addition to the discount authorized in subsection A, for the renewal of registration of each motor vehicle, trailer, or semitrailer pursuant to § 46.2-646, the Commissioner shall offer a discount for renewal when such registration renewal is conducted using the Internet. The discount shall be equal to \$1. The discount shall not apply to any motor vehicle, trailer, or semitrailer registered ~~(i) under the International Registration Plan or (ii) as an uninsured motor vehicle~~.

§ 46.2-646. Expiration and renewal of registration.

A. Every registration under this title, unless otherwise provided, shall expire on the last day of the twelfth month next succeeding the date of registration. Every registration, unless otherwise provided, shall be renewed annually on application by the owner and by payment of the fees required by law, the renewal to take effect on the first day of the month succeeding the date of

expiration. Notwithstanding these limitations, the Commissioner may extend the validity period of an expiring registration if (i) the Department is unable to process an application for renewal due to circumstances beyond its control, and (ii) the extension has been authorized under a directive from the Governor. However, in no event shall the validity period be extended more than 90 days per occurrence of such conditions.

B. All motor vehicles, trailers, and semitrailers registered in the Commonwealth shall, at the discretion of the Commissioner, be placed in a system of registration on a monthly basis to distribute the work of registering motor vehicles as uniformly as practicable throughout the 12 months of the year. All such motor vehicles, trailers, and semitrailers, unless otherwise provided, shall be registered for a period of 12 months. The registration shall be extended, at the discretion of the Commissioner, on receipt of appropriate prorated fees, as required by law, for a period of not less than one month nor more than 11 months as is necessary to distribute the registrations as equally as practicable on a monthly basis. The Commissioner shall, on request, assign to any owner or owners of two or more motor vehicles, trailers, or semitrailers the same registration period. The expiration date shall be the last day of the twelfth month or the last day of the designated month. Except for motor vehicles, trailers, and semitrailers registered for more than one year under subsection C of this section, every registration shall be renewed annually on application by the owner and by payment of fees required by law, the renewal to take effect on the first day of the succeeding month.

C. The Commissioner may offer, at his discretion, an optional multi-year registration for all motor vehicles, trailers, and semitrailers except for ~~(i) those registered under the International Registration Plan and (ii) those registered as uninsured motor vehicles~~. When this option is offered and chosen by the registrant, all annual and 12-month fees due at the time of registration shall be multiplied by the number of years or fraction thereof that the vehicle will be registered.

D. For any summons issued for a violation of this section, the court may, in its discretion, dismiss the summons where proof of compliance with this section is provided to the court on or before the court date.

E. No law-enforcement officer shall stop a motor vehicle due to an expired registration sticker prior to the first day of the fourth month after the original expiration date. No evidence discovered or obtained as the result of a stop in violation of this subsection, including evidence discovered or obtained with the operator's consent, shall be admissible in any trial, hearing, or other proceeding.

§ 46.2-646.1. Deactivation and reactivation of registration; fees.

A. The owner of a motor vehicle that has been registered in the Commonwealth may apply to the Commissioner to deactivate the registration of such vehicle. The owner of a motor vehicle who has voluntarily deactivated the vehicle's registration pursuant to this section shall not be required, with respect to such vehicle, to carry bodily injury liability insurance or property damage insurance, ~~or to pay the uninsured motor vehicle fee as provided under § 46.2-706.~~

It shall be unlawful to operate any motor vehicle whose registration has been deactivated on any highway in the Commonwealth.

B. Any person having a motor vehicle for which registration has been deactivated under subsection A may apply to the Commissioner to reactivate the registration of such vehicle. Every applicant for reactivation of registration shall furnish the Commissioner with such evidence as is required under § 46.2-649 and shall ~~either (i) execute and furnish to the Commissioner his certificate that the motor vehicle for which registration is to be reactivated is an insured motor vehicle as defined in § 46.2-705, or that the Commissioner has issued to its owner, in accordance with § 46.2-368, a certificate of self-insurance applicable to the vehicle or (ii) pay the uninsured motor vehicle fee required by § 46.2-706, which shall be disposed of as provided by § 46.2-710.~~

The fee to be paid to the Department for the reactivation of a motor vehicle's registration shall be \$10 unless the vehicle's registration has expired or the vehicle is registered under the International Registration Plan.

§ 46.2-706. Proof of insurance required of applicants for registration of motor vehicles; verification of insurance; suspension of driver's license, registration certificates, and license plates for certain violations.

~~A. In addition to any other fees prescribed by law, every person registering an uninsured motor vehicle, as defined in § 46.2-705, at the time of registering or reregistering the uninsured vehicle, shall pay a fee of \$500; however, if the uninsured motor vehicle is being registered for a period of less than a full year, the uninsured motor vehicle fee shall be prorated for the unexpired portion of the registration period. If the vehicle is a motor vehicle being registered as provided in subsection B of § 46.2-697, the fee shall be one-fourth of the annual uninsured motor vehicle fee for each quarter for which the vehicle is registered.~~

~~B. If the owner of a motor vehicle registered under this article as an uninsured motor vehicle, during the period for which such vehicle is registered, obtains insurance coverage adequate to permit such vehicle's registration as an insured motor vehicle and presents evidence satisfactory to the Commissioner of the existence of such insurance coverage, the Commissioner shall amend the Department's records to show such vehicle to be registered as an insured motor vehicle and shall refund to the owner a prorated portion of the additional fee required by this section for registration of an uninsured motor vehicle. Such proration shall be on a monthly basis, except that no such refund shall be made (i) as to any registration during the last three months of its validity or (ii) on any portion of any such fee required to be paid resulting from a determination by the Department or any court that a vehicle was uninsured and no fee had been paid.~~

~~C. Every person applying for registration of a motor vehicle and declaring it to be an insured motor vehicle shall, under the penalties set forth in § 46.2-707, execute and furnish to the Commissioner his certificate that the motor vehicle is an insured motor vehicle as defined in § 46.2-705, or that the Commissioner has issued to its owner, in accordance with § 46.2-368, a certificate of self-insurance applicable to the vehicle sought to be registered. The Commissioner, or his duly authorized agent, may verify that the motor vehicle is properly insured by comparing owner and vehicle identification information on file at the Department of Motor Vehicles with~~

liability information on the owner and vehicle transmitted to the Department by any insurance company licensed to do business in the Commonwealth as provided in § 46.2-706.1. If no record of liability insurance is found, the Department may require the motor vehicle owner to verify insurance in a method prescribed by the Commissioner.

~~D.-B.~~ The refusal or neglect of any owner within 30 days to submit the liability insurance information when required by the Commissioner or his duly authorized agent, or the electronic notification by the insurance company or surety company that the policy or bond named in the certificate of insurance is not in effect, shall require the Commissioner to suspend any driver's license and all registration certificates and license plates issued to the owner of the motor vehicle until the person (i) has paid to the Commissioner a noncompliance fee of \$600 to be disposed of as provided for in § 46.2-710 and (ii) furnishes proof of financial responsibility for the future in the manner prescribed in Article 15 (§ 46.2-435 et seq.) of Chapter 3. No order of suspension required by this section shall become effective until the Commissioner has offered the person an opportunity for an administrative hearing to show cause why the order should not be enforced. Notice of the opportunity for an administrative hearing may be included in the order of suspension. Any request for an administrative hearing made by such person must be received by the Department within 180 days of the issuance date of the order of suspension unless the person presents to the Department evidence of military service as defined by the federal Servicemembers Civil Relief Act (50 U.S.C. § 3901 et seq.), incarceration, commitment, hospitalization, or physical presence outside the United States at the time the order of suspension was issued. When three years have elapsed from the effective date of the suspension required in this section, the Commissioner may relieve the person of the requirement of furnishing proof of future financial responsibility.

~~E.-C.~~ The Commissioner shall suspend the driver's license and all registration certificates and license plates of any person on receiving a record of his conviction of a violation of any provisions of § 46.2-707, but the Commissioner shall dispense with the suspension when the person is convicted for a violation of § 46.2-707 and the Department's records show conclusively that the motor vehicle was insured ~~or that the fee applicable to the registration of an uninsured motor vehicle has been paid by the owner~~ prior to the date and time of the alleged offense.

~~F.-D.~~ The Commissioner may dispense with a suspension for a violation of this section or § 46.2-708 if the person determined to have committed the violation provides to the Commissioner proof that conclusively shows that the motor vehicle in question was insured at the time the Department initiated insurance monitoring under ~~§ 46.2-706 this section or § 46.2-706.1~~ or at the time of a violation of § 46.2-708.

§ 46.2-707. Operation of uninsured vehicle; false evidence of insurance; penalty.

Any person who owns an uninsured motor vehicle (i) licensed in the Commonwealth, (ii) subject to registration in the Commonwealth, or (iii) displaying temporary license plates provided for in § 46.2-1558 who operates or permits the operation of that motor vehicle ~~without first having paid to the Commissioner the uninsured motor vehicle fee required by § 46.2-706, to be disposed of as provided by § 46.2-710,~~ shall be *is* guilty of a Class 3 misdemeanor.

Any person who is the operator of such an uninsured motor vehicle and not the titled owner, *and* who knows that ~~the required fee has not been paid to the Commissioner, shall~~ *be such motor vehicle is uninsured is* guilty of a Class 3 misdemeanor.

The Commissioner or his duly authorized agent, having reason to believe that a motor vehicle is being operated or has been operated on any specified date, may require the owner of such motor vehicle to verify insurance in a method prescribed by the Commissioner as provided for by § 46.2-706. The refusal or neglect of the owner ~~who has not, prior to the date of operation, paid the uninsured motor vehicle fee required by § 46.2-706 as to such motor vehicle,~~ to provide such verification shall be prima facie evidence that the motor vehicle was an uninsured motor vehicle at the time of such operation.

Any person who falsely verifies insurance to the Commissioner or gives false evidence that a motor vehicle sought to be registered is an insured motor vehicle, shall be guilty of a Class 3 misdemeanor.

However, the foregoing portions of this section shall not be applicable if it is established that the owner had good cause to believe and did believe that such motor vehicle was an insured motor vehicle, in which event the provisions of § 46.2-609 shall be applicable.

Any person who owns an uninsured motor vehicle (i) licensed in the Commonwealth, (ii) subject to registration in the Commonwealth, or (iii) displaying temporary license plates provided for in § 46.2-1558, ~~and who has not paid the uninsured motor vehicle fee required by § 46.2-706,~~ shall immediately surrender the vehicle's license plates to the Department, unless the vehicle's registration has been deactivated as provided by § 46.2-646.1. Any person who fails to immediately surrender his vehicle's license plates as required by this section is guilty of a Class 3 misdemeanor.

Abstracts of records of conviction, as defined in this title, of any violation of any of the provisions of this section shall be forwarded to the Commissioner as prescribed by § 46.2-383.

The Commissioner shall suspend the driver's license and all registration certificates and license plates of any titled owner of an uninsured motor vehicle upon receiving a record of his conviction of a violation of any provisions of this section, and he shall not thereafter reissue the driver's license and the registration certificates and license plates issued in the name of such person until such person pays a noncompliance fee of \$600 to be disposed of as provided for in § 46.2-710 and furnishes proof of future financial responsibility as prescribed by Article 15 (§ 46.2-435 et seq.) of Chapter 3. However, when three years have elapsed from the date of the suspension herein required, the Commissioner may relieve such person of the requirement of furnishing proof of future financial responsibility. When such suspension results from a conviction for presenting or causing to be presented to the Commissioner false verification as to whether a motor vehicle is an insured motor vehicle or false evidence that any motor vehicle sought to be registered is insured, then the Commissioner shall not thereafter reissue the driver's license and the registration certificates and license plates issued in the name of such person so

convicted for a period of 180 days from the date of such order of suspension, and only then when all other provisions of law have been complied with by such person.

The Commissioner shall suspend the driver's license of any person who is the operator but not the titled owner of a motor vehicle upon receiving a record of his conviction of a violation of any provisions of this section and he shall not thereafter reissue the driver's license until 30 days from the date of such order of suspension.

§ 46.2-707.1. Noncompliance fee payment plan.

A. The Department may establish a noncompliance fee payment plan to allow individuals to pay the fees for a motor vehicle determined to be uninsured as prescribed in § 46.2-706, 46.2-707, or 46.2-708. Notwithstanding §§ 46.2-706, 46.2-707, and 46.2-708, an individual 18 years of age or older whose driver's license and vehicle registration have been suspended pursuant to § 46.2-706, 46.2-707, or 46.2-708 may apply to the Department to enter into a payment plan agreement with a duration of no more than three years from the agreement date, referred to in this section as the "payment plan period."

B. To be eligible to enter into the payment plan, the individual must (i) have one or more outstanding suspensions of driving privileges pursuant to the provisions of § 46.2-706, 46.2-707, or 46.2-708 and have no other outstanding suspensions or revocations; (ii) meet all other conditions for reinstatement of driving privileges; and (iii) have not defaulted twice on the same uninsured motor vehicle payment plan agreement.

C. An eligible individual who pays a \$25 administrative fee when entering into a payment plan agreement or when reentering into a payment plan agreement with the Department, and pays the reinstatement fee pursuant to §§ 46.2-333.1 and 46.2-411, if required, shall be eligible to have his driving privileges reinstated by the Department.

D. The amount and frequency of each payment and the duration of the payment plan shall be described in the payment plan agreement signed by the Department and the individual. Payments may be made in person, online, by telephone, or by mail. The full fee must be paid in no more than three years from the agreement date; however, an individual may repay the balance of the fee at any time during the payment plan period with no penalty.

E. If an individual defaults on the payment plan agreement, the Commissioner shall suspend the driver's license and all registration certificates and license plates issued to the owner of the motor vehicle determined to be uninsured. Such driver's license, registration certificates, and license plates shall remain suspended until the individual pays the balance of the fee applicable to ~~the registration of an uninsured motor vehicle~~ *his offense* as prescribed in § 46.2-706, 46.2-707, or 46.2-708 and furnishes proof of future financial responsibility as prescribed by Article 15 (§ 46.2-435 et seq.) of Chapter 3. An individual is in default if he (i) pays an installment payment late as defined in the payment plan agreement or (ii) fails to make an installment payment as agreed to in the payment plan agreement. If an individual is in default and is ineligible to reenter the payment plan, full payment of the balance of the fee shall be due as agreed to in the payment plan agreement. The Commissioner may extend the due date of any installment payment for not

more than 30 days if the Department is unable to process an installment payment due to circumstances beyond its control.

F. When all fees are paid, the individual shall continue to furnish proof of financial responsibility pursuant to Article 15 (§ 46.2-435 et seq.) of Chapter 3 and § 46.2-709.

G. Installment payments of the fee with respect to the motor vehicle determined to be uninsured shall be disposed of pursuant to § 46.2-710. The administrative fee shall be paid to the Commissioner and deposited into the state treasury account set aside in a special fund to be used to meet the necessary expenses incurred by the Department.

§ 46.2-708. Suspension of driver's license and registration when uninsured motor vehicle is involved in reportable accident; hearing prior to suspension.

When it appears to the Commissioner from the records of his office or from a report submitted by an insurance company licensed to do business in the Commonwealth that an uninsured motor vehicle as defined in § 46.2-705, subject to registration in the Commonwealth, is involved in a reportable accident in the Commonwealth resulting in death, injury, or property damage ~~with respect to which motor vehicle the owner thereof has not paid the uninsured motor vehicle fee as prescribed in § 46.2-706,~~ the Commissioner shall, in addition to enforcing the applicable provisions of Article 13 (§ 46.2-417 et seq.) of Chapter 3, suspend such owner's driver's license and all of his license plates and registration certificates until such person has complied with Article 13 of Chapter 3 and has paid to the Commissioner a noncompliance fee of \$600, to be disposed of as provided by § 46.2-710, with respect to the motor vehicle involved in the accident and furnishes proof of future financial responsibility in the manner prescribed in Article 15 (§ 46.2-435 et seq.) of Chapter 3. However, no order of suspension required by this section shall become effective until the Commissioner has offered the person an opportunity for an administrative hearing to show cause why the order should not be enforced. Notice of the opportunity for an administrative hearing may be included in the order of suspension. Any request for an administrative hearing made by such person must be received by the Department within 180 days of the issuance date of the order of suspension unless the person presents to the Department evidence of military service as defined by the federal Servicemembers Civil Relief Act (50 U.S.C. § 3901 et seq.), incarceration, commitment, hospitalization, or physical presence outside the United States at the time the order of suspension was issued.

However, when three years have elapsed from the effective date of the suspension herein required, the Commissioner may relieve such person of the requirement of furnishing proof of future financial responsibility. The presentation by a person subject to the provisions of this section of a certificate of insurance, executed by an agent or representative of an insurance company qualified to do business in this Commonwealth, showing that on the date and at the time of the accident the vehicle was an insured motor vehicle as herein defined, ~~or, presentation by such person of evidence that the additional fee applicable to the registration of an uninsured motor vehicle had been paid to the Department prior to the date and time of the accident,~~ shall be sufficient bar to the suspension provided for in this section.

§ 46.2-902.1. Officer may require certain motorists to furnish proof of insurance; penalty.

Any law-enforcement officer present at the scene of a motor vehicle accident as to which a law-enforcement officer is required by § 46.2-373 to file an accident report with the Department may require the operator of any motor vehicle involved in such accident to furnish proof that the vehicle he was operating at the time of such accident was either (i) an insured motor vehicle as defined in § 46.2-705 or (ii) a vehicle for which the fee required by § 46.2-706 for registration of an uninsured vehicle had been paid as to that vehicle. Failure to furnish proof of insurance or payment of the uninsured vehicle registration fee when required by a law-enforcement officer as provided in this section within thirty days shall constitute a Class 2 misdemeanor.

§ 46.2-1530. Buyer's order.

A. Every motor vehicle dealer shall complete, in duplicate, a buyer's order for each sale or exchange of a motor vehicle. A copy of the buyer's order form shall be made available to a prospective buyer during the negotiating phase of a sale and prior to any sales agreement. The completed original shall be retained for a period of five years in accordance with § 46.2-1529, and a duplicate copy shall be delivered to the purchaser at the time of sale or exchange. A buyer's order shall include:

1. The name and address of the person to whom the vehicle was sold or traded.
2. The date of the sale or trade.
3. The name and address of the motor vehicle dealer selling or trading the vehicle.
4. The make, model year, vehicle identification number and body style of the vehicle.
5. The sale price of the vehicle.
6. The amount of any cash deposit made by the buyer.
7. A description of any vehicle used as a trade-in and the amount credited the buyer for the trade-in. The description of the trade-in shall be the same as outlined in subdivision 4.
8. The amount of any sales and use tax, title fee, ~~uninsured motor vehicle fee~~, registration fee, purchaser's online systems filing fee, or other fee required by law for which the buyer is responsible and the dealer has collected. Each tax and fee shall be individually listed and identified.
9. The net balance due at settlement.
10. Any item designated as "processing fee," and the amount charged by the dealer, if any, for processing the transaction. As used in this section, processing includes obtaining title and license plates for the purchaser, but does not include any "purchaser's online systems filing fee," as defined in § 46.2-1530.1, or any "dealer's manual transaction fee," as defined in § 46.2-1530.2.

11. Any item designated as "dealer's business license tax," and the amount charged by the dealer, if any.

12. If the dealer delivers to the customer a vehicle purchased by the customer on or after July 1, 2010, that is conditional on dealer-arranged financing, the following notice, printed in bold type no less than 10 point: "IF YOU ARE FINANCING THIS VEHICLE, PLEASE READ THIS NOTICE: YOU ARE PROPOSING TO ENTER INTO A RETAIL INSTALLMENT SALES CONTRACT WITH THE DEALER. PART OF YOUR CONTRACT INVOLVES FINANCING THE PURCHASE OF YOUR VEHICLE. IF YOU ARE FINANCING THIS VEHICLE AND THE DEALER INTENDS TO TRANSFER YOUR FINANCING TO A FINANCE PROVIDER SUCH AS A BANK, CREDIT UNION OR OTHER LENDER, YOUR VEHICLE PURCHASE DEPENDS ON THE FINANCE PROVIDER'S APPROVAL OF YOUR PROPOSED RETAIL INSTALLMENT SALES CONTRACT. IF YOUR RETAIL INSTALLMENT SALES CONTRACT IS APPROVED WITHOUT A CHANGE THAT INCREASES THE COST OR RISK TO YOU OR THE DEALER, YOUR PURCHASE CANNOT BE CANCELLED. IF YOUR RETAIL INSTALLMENT SALES CONTRACT IS NOT APPROVED, THE DEALER WILL NOTIFY YOU VERBALLY OR IN WRITING. YOU CAN THEN DECIDE TO PAY FOR THE VEHICLE IN SOME OTHER WAY OR YOU OR THE DEALER CAN CANCEL YOUR PURCHASE. IF THE SALE IS CANCELLED, YOU NEED TO RETURN THE VEHICLE TO THE DEALER WITHIN 24 HOURS OF VERBAL OR WRITTEN NOTICE IN THE SAME CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL WEAR AND TEAR. ANY DOWN PAYMENT OR TRADE-IN YOU GAVE THE DEALER WILL BE RETURNED TO YOU. IF YOU DO NOT RETURN THE VEHICLE WITHIN 24 HOURS OF VERBAL OR WRITTEN NOTICE OF CANCELLATION, THE DEALER MAY LOCATE THE VEHICLE AND TAKE IT BACK WITHOUT FURTHER NOTICE TO YOU AS LONG AS THE DEALER FOLLOWS THE LAW AND DOES NOT CAUSE A BREACH OF THE PEACE WHEN TAKING THE VEHICLE BACK. IF THE DEALER DOES NOT RETURN YOUR DOWN PAYMENT AND ANY TRADE-IN WHEN THE DEALER GETS THE VEHICLE BACK IN THE SAME CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL WEAR AND TEAR, THE DEALER MAY BE LIABLE TO YOU UNDER THE VIRGINIA CONSUMER PROTECTION ACT."

13. For sales of used motor vehicles, the disclosure required by § 46.2-1529.1.

Except for trailers and travel trailers, if the transaction does not include a policy of motor vehicle liability insurance, the seller shall stamp or mark on the face of the bill of sale in boldface letters no smaller than 18-point type the following words: "No Liability Insurance Included."

A completed buyer's order when signed by both buyer and seller may constitute a bill of sale.

B. The Board shall approve a buyer's order form and each dealer shall file with each original license application its buyer's order form, on which the processing fee amount is stated.

C. If a processing fee is charged, that fact and the amount of the processing fee shall be disclosed by the dealer. Disclosure shall be by placing a clear and conspicuous sign in the public sales area of the dealership. The sign shall be no smaller than eight and one-half inches by 11 inches and the print shall be no smaller than one-half inch, and in a form as approved by the Board.

D. Except for trailers, if the buyer's order is for a new motor vehicle that had accumulated, at the time of the sale, mileage in excess of 750 miles as a demonstrator or as a result of delivery to a prospective purchaser who never took title to the new motor vehicle and returned it, the vehicle may be sold as new, provided the dealer delivers this disclosure in writing on the buyer's order containing type of no smaller than 10 point or in a separate document containing only the disclosure in type of no smaller than 14 point: "Notice: This new motor vehicle has accumulated mileage in excess of 750 miles as the result of use as a demonstrator and/or as the result of delivery to a prior prospective purchaser who never took title to it and who returned it." When delivered as a separate document, this disclosure shall also contain the actual odometer reading for the vehicle and shall be signed by the purchaser.

E. The provisions of this section shall not apply to the sale or exchange of (i) a tractor truck, (ii) a truck having a gross vehicle weight rating of 16,000 pounds or more, or (iii) a semitrailer.

2. That the Commissioner of the Department of Motor Vehicles shall begin verifying the insurance coverage of any vehicle owner who has previously paid the uninsured motorist fee and has not verified insurance pursuant to § 46.2-706 of the Code of Virginia, as amended in this act, or been issued a certificate of self-insurance pursuant to § 46.2-368 of the Code of Virginia.

3. That the provisions of the first and second enactments of this act shall become effective July 1, 2024.

4. That the Commissioner of the Department of Motor Vehicles may continue to register uninsured vehicles as provided in § 46.2-706 of the Code of Virginia prior to the effective date of this act, but any such registration shall expire prior to July 1, 2024. Such registration may be renewed prior to July 1, 2024, if the vehicle owner provides proof of insurance pursuant to § 46.2-706 of the Code of Virginia or has been issued a certificate of self-insurance pursuant to § 46.2-368 of the Code of Virginia.

