



**PROFESSIONAL  
INSURANCE  
AGENTS  
ASSOCIATION**

5050 Ritter Road  
P.O.Box 2023  
Mechanicsburg,  
Pennsylvania  
17055-0763

(717) 795-9100  
FAX (717) 795-8347

90 JAN -7 PM 3:40  
 REVIEW COMMISSION

**TELECOMMUNICATIONS LETTER**

SENDER'S INITIALS PNC

DATE: 1/7/98

TIME: \_\_\_\_\_

Please deliver the following page(s) to:

RECIPIENT'S NAME: John Jewett ORIGINAL: 1901  
 COMPANY NAME: IRDC COPIES: Coccodrilli  
 Jewett  
 Sandusky  
 FAX NUMBER: ( ) 783-2664 Legal (2)

TELEPHONE NUMBER: ( ) \_\_\_\_\_

SENDER'S NAME: Peter Calcara

TOTAL NUMBER OF PAGES 2  
 (INCLUDING THIS ONE):

MESSAGE: John,

Thanks for the phone call.  
ACORD is the Agency-Company  
Organization for Research and  
Development and a copy of  
its ID card is attached.

Please call if you need  
further assistance.

**INSURANCE IDENTIFICATION CARD**

(STATE)

COMPANY NUMBER      COMPANY

POLICY NUMBER      EFFECTIVE DATE      EXPIRATION DATE

YEAR      MAKE/MODEL      VEHICLE IDENTIFICATION NUMBER

AGENCY/COMPANY ISSUING CARD

INSURED  
F

L

SEE IMPORTANT NOTICE ON REVERSE SIDE

**THIS CARD MUST BE KEPT IN THE INSURED  
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**IN CASE OF ACCIDENT: Report all accidents to your Agent/Company as soon as possible. Obtain the following information:**

- 1. Name and address of each driver, passenger and witness.**
- 2. Name of Insurance Company and policy number for each vehicle involved.**

# Independent Insurance Agents of Pennsylvania

Founded 1889 ♦ Incorporated 1924

January 8, 1998

TO: John H. Jewett  
Regulatory Analyst  
Independent Regulatory Review Commission

ORIGINAL: 1901  
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Legal (2)

FROM: Vince Phillips  
Vice President for Government Affairs

RE: Proposed Regulation 11-165 (1901)

Thanks for asking for additional comments on the proposed Financial Responsibility regulation. As you know, IIAP had a group of member agents review the draft document. As such, our association supports the proposal and particularly the section authorizing an insurance agent to issue a temporary ID card (67.27). Our experience under the Ridge Administration has been receptivity by the PA Department of Transportation to agents being able to document insurance status of customers. This contrasts with what we felt was a reluctance to do so by the previous administration. In addition, Act 115 of 1996 (House Bill 1712) discusses at length the ability of insurance agents to document the status of financial responsibility to PennDOT. This is found in 4727. (d) Proof of Insurance. I've attached a copy. To our association, the proposed regulation simply reinforces what PennDOT has done informally and via formal legislation.

We would agree with those who say that an insurance ID card should not be considered as invulnerable to altering as a binder might be. Temporary ID cards are not meant to be permanent and should have a time limit. The proposed regulation uses 60 days. Perhaps 30 would be better since it would normally not take more than thirty days to secure the coverage.

Another comment applies to 67.23 (b) Self-insurers. Although ID cards issued by self-insurers must contain the same information as described in 67.24. (Form and content of ID cards), a sentence might be added that explicitly states the requirement to prevent the issuance of non-standard cards by a self-insurer who designed its own card without required information.



2807 North Front Street

Harrisburg, PA 17110

Phone: (717) 236-4427

Fax: (717) 236-6697

Email: BigIPA@aol.com

Homepage: <http://www.iiap.org>

Regarding 67.24, we noted both the similarities and differences between the proposed regulation and the form used by many agents supplied by ACORD. Differences are:

- TITLE: Regulation- Financial Responsibility Card  
ACORD -- Insurance Identification Card
- CODE: Regulation- NAIC company code  
ACORD -- Company number
- INSURED: Regulation- Specifies address  
ACORD – Does not specify address although standard practice would include it

These are minor differences. The major difference is the notices mandated on the back of the card by the proposed regulation but not found now on the ACORD card.

The Insurance Department might need to issue a clarification as to whether or not an ACORD card is still acceptable given the differences.

ACT 115 (HB 1712)

SESSION OF 1996

Act 1996-115 671

trailers having a registered gross weight in excess of 10,000 pounds, construction trucks for which annual permits are issued pursuant to section 4970(b) (relating to permit for movement of construction equipment), mass transit vehicles and motor carrier vehicles, other than farm vehicles for which a biennial certificate of exemption has been issued,) *The following vehicles* shall be subject to semiannual safety inspection[.]:

(1) *School buses.*

(2) *Passenger vans under contract with or owned by a school district or private or parochial school, including vehicles having chartered group and party rights under the Pennsylvania Public Utility Commission and used to transport school students.*

(3) *Passenger vans used to transport persons for hire or owned by a commercial enterprise and used for the transportation of employees to or from their place of employment.*

(4) *Trailers, other than recreational trailers, having a registered gross weight in excess of 10,000 pounds. Recreational trailers shall be subject to annual safety inspection.*

(5) *Construction trucks for which annual permits are issued pursuant to section 4970(b) (relating to permit for movement of construction equipment).*

(6) *Mass transit vehicles.*

(7) *Motor carrier vehicles, other than farm vehicles for which a biennial certificate of exemption has been issued.*

\* \* \*

§ 4727. Issuance of certificate of inspection.

\* \* \*

(d) Proof of insurance.—

(1) No certificate of inspection shall be issued unless proof of financial responsibility is submitted to the inspection official, who shall, on the official State Inspection record provided by the department, record the name of the insured, the vehicle tag number, the issuing company, the policy number and the expiration date. The requirement that the inspection official record financial responsibility information shall not be construed to require the inspection official to verify the information submitted.

(2) In those cases where the insured fails to present proof of financial responsibility to the inspection official, the inspection official, in addition to denying a certificate of inspection, may provide notification to the department, on the form provided by the department, within 30 days of the insured's failure to present proof of financial responsibility. Failure of the inspection official to make notification under this subsection shall not impose any duty or liability on the mechanic or station owner.

(3) Financial responsibility may be proven by showing one of the following documents:

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re issued pursuant to  
ment of construction  
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to semiannual safety

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having chartered group  
Utility Commission and

for hire or owned by a  
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department, record the  
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resent proof of financial  
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nt, within 30 days of the  
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is subsection shall not  
station owner.

by showing one of the

(i) An identification card as required by regulations promulgated by the Insurance Department.

(ii) The declaration page of an insurance policy.

(iii) A certificate of financial responsibility.

(iv) A valid binder of insurance issued by an insurance company licensed to sell motor vehicle liability insurance in Pennsylvania.

(v) A legible photocopy, facsimile or printout of an electronic transmission of a document listed in subparagraphs (i) through (iv), provided the certified inspection mechanic receives the photocopy, facsimile or printout directly from a licensed insurance company or licensed insurance agency. The certified inspection mechanic shall not accept a photocopy, facsimile or printout unless it is provided on the letterhead of the licensed insurance company or licensed insurance agency, or is provided with a letter written upon the company's or agency's letterhead, which specifically references the document provided as proof of financial responsibility by describing the insured's name and address and the make, model and vehicle identification number of the insured vehicle.

(4) If handwritten proof of financial responsibility is acceptable proof of insurance in the state where the vehicle is registered, the certified inspection mechanic may accept such handwritten proof, provided the certified inspection mechanic receives written confirmation from the applicable state, insurance company or insurance agency that handwritten proof is acceptable in that state. This paragraph is applicable only to vehicles registered in a state other than this Commonwealth.

\*\*\*

§ 4903. Securing loads in vehicles.

\*\*\*

(c) Load of logs.—

(1) Every load of logs on a vehicle shall be securely fastened with [at least three] binders, chains or straps and, in the case of an open-body or stake-body vehicle, trailer or semitrailer there shall be a sufficient number of vertical metal stakes or posts securely attached on each side of the vehicle, trailer or semitrailer at least as high as the top of the load to secure such load in the event of a failure of the binders, chains or straps.

(2) A load of logs which are greater than six feet in length must be secured by three binders for each stack of logs, except that, if the stacks are tiered so that one stack rests upon the bottom stack or stacks, a total of three binders is necessary for that tiered combination.

(3) A load of logs which are six feet or less in length must be secured by two binders for each stack of logs, except that, if the stacks are tiered so that one stack rests upon the bottom stack or stacks, a total of three binders is necessary for that tiered combination.

### INSURANCE IDENTIFICATION CARD

(STATE)

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POLICY NUMBER      EFFECTIVE DATE      EXPIRATION DATE

YEAR      MAKE/MODEL      VEHICLE IDENTIFICATION NUMBER

AGENCY / COMPANY ISSUING CARD

INSURED

~~VIA~~

~~236-6697~~

ACORD (FRONT)

SEE IMPORTANT NOTICE ON REVERSE SIDE

### INSURANCE IDENTIFICATION CARD

(STATE)

COMPANY NUMBER      COMPANY

POLICY NUMBER      EFFECTIVE DATE      EXPIRATION DATE

YEAR      MAKE/MODEL      VEHICLE IDENTIFICATION NUMBER

AGENCY / COMPANY ISSUING CARD

INSURED

SEE IMPORTANT NOTICE ON REVERSE SIDE

**THIS CARD MUST BE KEPT IN THE INSURED VEHICLE AND PRESENTED UPON DEMAND**

**IN CASE OF ACCIDENT:** Report all accidents to your Agent/Company as soon as possible. Obtain the following information:

- 1. Name and address of each driver, passenger and witness.
- 2. Name of Insurance Company and policy number for each vehicle involved.

ACORD  
(BACK)

ACORD 50 (1/83)

©ACORD CORPORATION 1983

**THIS CARD MUST BE KEPT IN THE INSURED VEHICLE AND PRESENTED UPON DEMAND**

**IN CASE OF ACCIDENT:** Report all accidents to your Agent/Company as soon as possible. Obtain the following information:

- 1. Name and address of each driver, passenger and witness.
- 2. Name of Insurance Company and policy number for each vehicle involved.

ACORD 50 (1/83)

©ACORD CORPORATION 1983





**PROFESSIONAL INSURANCE AGENTS ASSOCIATION**

5050 Ritter Road ♦ Mechanicsburg, PA 17055  
(717) 795-9100 ♦ FAX (717) 795-8347

**FAX MEMORANDUM**

**DATE** January 23, 1998

**TO:** Peter Salvatore, Regulatory  
Coordinator

**FROM:** Peter Calcara

**RE:** ACORD Form -- Evidence of Financial  
Responsibility

**CC:** John Jewett, IRRC

<input type="checkbox"/>	<b>CONFIDENTIAL</b> - See instructions at the bottom of this page
<input type="checkbox"/>	<b>URGENT</b>
<input type="checkbox"/>	<b>REPLY ASAP</b>
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<input checked="" type="checkbox"/>	<b>FOR YOUR REVIEW</b>
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If all pages are not received, or you receive this fax in error, please contact Paige Musser at 717-795-9100.

**REMARKS:**

Pete,

**John Jewett at the IRRC suggested that I send you a copy of the ACORD Insurance Identification Card for your review. If you have any questions, please call me.**

**Thank you.**

**CONFIDENTIAL FAX TRANSMISSION**

The documents accompanying this facsimile transmission contains information from PIA which is confidential and/or legally privileged. The information is intended for use of the individual or entity named on this transmission sheet only. If you have received this in error, please telephone us at the above number so we may arrange for the return of this document.

**INSURANCE IDENTIFICATION CARD**

(STATE)

COMPANY NUMBER      COMPANY

POLICY NUMBER      EFFECTIVE DATE      EXPIRATION DATE

YEAR      MAKE/MODEL      VEHICLE IDENTIFICATION NUMBER

AGENCY/COMPANY ISSUING CARD

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SEE IMPORTANT NOTICE ON REVERSE SIDE

**THIS CARD MUST BE KEPT IN THE INSURED  
VEHICLE AND PRESENTED UPON DEMAND**

**IN CASE OF ACCIDENT:** Report all accidents to your Agent/Company as soon as possible. Obtain the following information:

1. Name and address of each driver, passenger and witness.
2. Name of Insurance Company and policy number for each vehicle involved.

# -- Facsimile Transmission --

from the desk of  
**Jan Matthew Tamarinini**  
 Pennsylvania Department of Transportation  
 Office of Chief Counsel  
 Ninth Floor, Forum Place  
 555 Walnut Street  
 Harrisburg, Pennsylvania 17101-1900  
 (717)787-5079  
 fax (717)772-2741

93.1.29 11:21  
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**Date:** January 29, 1998

**To:** John Jewett  
Independent Regulatory Review Commission

**Fax #:** 3-2664

**Re:** Your request for information -- proposed financial responsibility regulations  
Pennsylvania Insurance Department

**Number of pages, including this memo:** 1

Pursuant to our telephone conversation this morning, this will confirm the Pennsylvania Department of Transportation's objection to the proposed amendment to 31 Pa. Code § 67.27, which would delete existing language referring to insurance binders as acceptable evidence of financial responsibility. Our objection is based upon the language of 75 Pa. C.S. §§ 1318(b)(4) and 4727(d)(3)(iv), which specifically states that a binder issued by an insurance company is acceptable proof of financial responsibility.

Thank you for your assistance; if you require anything further, please contact me.

*Jan Matthew Tamarinini*  
 Jan Matthew Tamarinini,  
 Acting Assistant Counsel-in-Charge  
 Regulations Section  
 Office of Chief Counsel

**cc:** Robert H. Raymond, Jr.  
 Robert J. Shea  
 Phillip Zulli

*67-28 D. Un...  
(67-15 Mike Sullivan)*

The Insurance Federation of Pennsylvania, Inc.

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INSURANCE DEPARTMENT

NOV 05 1996

DEPUTY INSURANCE COMMISSIONER  
CONSUMER SERVICES & ENFORCEMENT

1600 Market Street

Suite 1520

Philadelphia, PA 19103

Tel: (215) 665-0500 Fax: (215) 665-0540

90 JAN 21 PM 14:08

RENEW COMMISSION

November 1, 1996

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Government Affairs

Helfried G. LeBlanc  
Deputy Insurance Commissioner  
Office of Consumer Services and Enforcement  
Pennsylvania Insurance Department  
Strawberry Square  
Harrisburg, PA 17120

Re: 31 Pa. Code Chapter 67 - Sections 67.1 through 67.28

Dear Ms. <sup>*LeBlanc*</sup> LeBlanc:

The following comments are offered on the above sections, covering portions of the Motor Vehicle Financial Responsibility Law.

Sections 67.1 through 67.6 - Catastrophic Loss Trust Fund

These sections should be repealed, reflecting the repeal of the underlying legislation. Granted, the Fund's "run off" business may need to be handled through regulations (although a Statement of Policy would seem just as workable); however, any such regulations should be done through the replacement to the repealed provisions establishing the Fund.

Sections 67.21 through 67.28 - Evidence of Financial Responsibility

This subchapter remains a practical means of having insurers supply policyholders with insurance identification cards, and it should be retained.

However, Section 67.24(b)(8) should be modified to reflect the Act 6 requirements in Section 1782(d) of the MVFRL and the dominance of six-month policies. The regulation requires that identification cards state that they are "not valid more than 1 year from effective date." Many cards, of course, are only valid for six

November 1, 1996  
Page two

months, reflecting either the duration of the underlying policy or, in the case of one year policies, the premium payment plan; the regulation should be revised to reflect this.

Thank you for the opportunity to comment on this. Please call with any questions.

Sincerely,

*Sam Marshall*

Samuel R. Marshall

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DEPUTY INSURANCE COMMISSIONER  
CONSUMER SERVICES & ENFORCEMENT



COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT

OFFICE OF SPECIAL PROJECTS  
1326 Strawberry Square  
Harrisburg, PA 17120

Phone (717) 787-4429  
Fax (717) 772-1969

# FAX

---

**DATE:** January 21, 1998      **NUMBER OF PAGES (including this sheet):** 4

**TO:** John Jewitt  
IRRC

**FAX # :** 783-2664

**FROM:** Peter J. Salvatore  
Regulatory Coordinator

---

**MESSAGE:**

Attached are the external comments received prior to the 30-day published public comment period.

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COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT  
STRAWBERRY SQUARE  
HARRISBURG, PA. 17120

50 APR 10 AM 9:46

EXECUTIVE OFFICES

December 4, 1984

Thomas B. Hagen, Chairman  
Parent AD HOC Advisory Committee  
The Insurance Federation of  
Pennsylvania, Inc.  
1560 Suburban Station Bldg.  
Philadelphia, PA 19103

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DEC 10 1984

RE: PENNSYLVANIA MOTOR VEHICLE FINANCIAL  
RESPONSIBILITY LAW - INSURANCE  
IDENTIFICATION CARD

Dear Mr. Hagen:

Please be advised that the Insurance Department approves the use of the Acord I.D. Card as an insurance identification card under the Financial Responsibility Law pursuant to the Insurance Department's regulation, Section 67.24(a) of Subchapter B. Evidence of Financial Responsibility as published at 14 Pa.B. 3526. Please find attached a copy of the approved Acord I.D. Card. The instructions set forth at Section 67.25 of the Insurance Department's regulations, published at 14 Pa.B. 2949, must accompany any Acord I.D. Card issued to a policyholder in the same manner that such instructions must accompany any other insurance identification card issued under the Financial Responsibility Law.

The Insurance Department believes that the approval of the Acord I.D. Card will help reduce printing and storage costs and paper work requirements under the Financial Responsibility Law. We trust that you will notify all companies writing automobile insurance in Pennsylvania of this approval.

Very truly yours,

Jonathan Neipris  
Deputy Insurance Commissioner

cc: ✓ Parent AD HOC Advisory Committee Members







COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF TRANSPORTATION  
BUREAU OF MOTOR VEHICLES  
HARRISBURG  
17122

IN REPLY REFER TO

December 9, 1996

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**DEC 16 1996**

**INSURANCE CONSUMER SERVICES  
HARRISBURG**

Mr. Leonard D'Amico  
Insurance Department  
13th Floor, Strawberry Square  
Harrisburg PA 17120

Dear Mr. D'Amico:

This a follow-up to your telephone conversation with Ms. Sue Wilson, a member of my staff, regarding the revisions to the regulation Title 67.21 Evidence of Financial Responsibility.

Our legal council has determined that the regulation should remain as written since it provides an explanation and definition of proof of insurance to motorists in Pennsylvania. The only exception would be to replace the word "shall" with "may" in Section 67.28.

Should you have any additional questions, please contact my office or Mr. Richard Bettinger, Manager of the Financial Responsibility Section at (717) 787-7767.

Sincerely,

Louis J. Curl III, Director  
Bureau of Motor Vehicles

INSURANCE CONSUMER SERVICES  
RENEWAL DIVISION  
98 JUN 21 PM 4:09

**The Insurance Federation of Pennsylvania, Inc.**

1600 Market Street  
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Philadelphia, PA 19103  
Tel: (215) 665-0500 Fax: (215) 665-0540

ST 201 95 NOV 24 97  
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**December 22, 1997**

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**Peter J. Salvatore, Director**  
Bureau of Product Licensing  
Office of Regulation of Companies  
Pennsylvania Insurance Department  
Strawberry Square  
Harrisburg, PA 17120

**Re: Regulation #11-165, Evidence of Financial  
Responsibility**

**Dear Peter:**

Following up on this morning's conversation, we have three concerns with the Department's proposed regulation. They do not involve substantive differences; but if not addressed, they will produce significant (but needless) paperwork for insurers.

**1. Section 67.24(b) (8) - Expiration date**

The proposed regulation requires that an auto insurance I.D. card state the actual expiration date; the current regulation requires an inscription below the effective date, "not valid more than 1 year from the effective date."

The change makes sense for policies that have a six month expiration (mine does - and has the expiration date rather than the 1 year inscription on it). However, it is not needed for those policies with a 1 year expiration, where the inscription would hold true; and putting it in place would require needless changes of forms.

Accordingly, we recommend the Department allow I.D. cards to set forth the expiration date either by an accurate inscription (e.g., either six months or one year) of when the policy is no longer valid, or by the actual date.

December 22, 1997

Page two

The Department should also revise the preamble in this area. It states that "I.D. cards disclose the period for which coverage has been paid by the insured." However, this conflicts with Section 1782(d) of the Motor Vehicle Financial Responsibility Law, which allows I.D. cards for six month periods even though payment may be for a period of less than that.

**2. Section 67.27 - Elimination of Binders as Proof of Insurance**

The proposed regulation allows only for the issuance of temporary I.D. rather than binders as temporary proof of insurance. While we support temporary I.D. cards, we believe they should be allowed along with binders - not as a replacement for binders.

You are correct that the use of temporary I.D. cards is becoming more widespread. But it is not to the point where it is ready to be exclusive, as proposed in this regulation; the option of binders should remain.

**3. Paperwork**

Depending on how the above issues are resolved, this regulation could require significant paperwork for some insurers (presumably not its intent, as the preamble predicts no paperwork). If there is such paperwork, there should at least be ample time to exhaust current stock and print new stock.

We are generally supportive of the proposed regulation as a logical editing of the existing regulation. We look forward to resolving the above concerns.

Sincerely,



Samuel R. Marshall

c: John H. Jewett, Regulatory Analyst  
Independent Regulatory Review Commission

# FAX

DEC 23 1997  
INSURANCE FEDERATION  
PHILADELPHIA, PA

**INSURANCE FEDERATION OF PA**  
**1600 MARKET STREET**  
**SUITE 1520**  
**PHILADELPHIA, PA 19103**

Date 12/23/97  
Number of pages including cover sheet \_\_\_\_\_

To: JOHN JEWETT

From: SAM MARSHALL

Phone \_\_\_\_\_

Phone 215-665-0500

Fax Phone 717-783-2664

Fax Phone 215-665-0540

CC: \_\_\_\_\_

REMARKS:

Urgent     For your review     Reply ASAP     Please comment

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P.O. Box 2023  
Mechanicsburg, PA  
17055-0763



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REVENUE COMMISSION

December 23, 1997

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HAND DELIVER

Peter J. Salvatore, Regulatory Coordinator  
Insurance Department  
Commonwealth of Pennsylvania  
1326 Strawberry Square  
Harrisburg, PA 17120

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DEC 23 1997

Office of Specialist Projects

**Re: Proposed Evidence of Financial Responsibility Regulation**

Dear Mr. Salvatore:

I am writing on behalf of the nearly 15,000 members of the Professional Insurance Agents Association concerning the Department's proposed amendments to Subchapter B ("Evidence of Financial Responsibility") of 31 PA. Code Chapter 67. *Motor Vehicle Financial Responsibility Law*.

As the Commonwealth's largest independent agents' association, PIA members play a vital role in the automobile insurance purchasing and serving processes and, therefore, have intimate working knowledge of financial responsibility I.D. cards. PIA applauds the Department for this initiative, and in particular the revisions to § 67.27 giving agents authority to issue temporary I.D. cards. PIA has long held that nothing in either the Insurance Code or Vehicle Code precludes insurance agents from issuing insurance I.D. cards, a point which was reinforced in the June 25, 1993 legal opinion from Insurance Department counsel (please see attached).

The Insurance Department's support notwithstanding, the Department of Transportation has objected to agent issued temporary I.D. cards because the law is silent on the matter. In a January 28, 1994 letter to PIA, former Transportation Secretary Howard Yerusolim wrote:

*Although the Insurance Department has held that there is no law precluding the issuance of insurance ID cards by insurance agents, conversely, there is no law prohibiting card agents of this Department from refusing to accept ID cards, if they are not satisfied as to the validity and genuineness of such cards.*

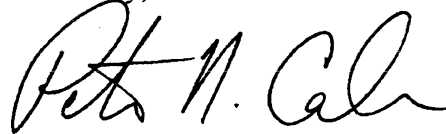
Peter J. Salvatore, Regulatory Coordinator  
Page 2  
December 23, 1997

The manner and method by which the temporary I.D. cards are completed, e.g., faxed, hand-typed or hand-written, is not addressed in the regulation. Will the Department of Transportation and its issuing agents accept all I.D. cards?

One change that is potentially troubling has to do with the modified language on the I.D. card's content, specifically § 67.24. Many agents and insurers use the standardized ACORD insurance identification card, which the Insurance Department approved in the 1980's through the efforts of PIA, ACORD and the State Police. As you know, ACORD is a nonprofit insurance association whose mission is to create standards and offer services to the insurance industry which assist in reducing costs and duplication of work. Our reading of the revised language in § 67.24 (b) leads us to question whether the ACORD card would still be permissible. Eliminating the ACORD form would be very problematic to many agents and insurers as there would be no standardized form. Insurers would develop individual forms, creating additional costs and an unnecessary burden to agents and insurers. We would welcome the Department's thoughts and/or dialogue on this matter.

Once again, thank you for the opportunity to comment on the proposed amendments. With the aforementioned exception, PIA supports the revisions as they would improve agents' ability to service their customers. I trust our comments have been useful. If you have any questions or need clarification, please do not hesitate to call me.

Sincerely,



Peter N. Calcara, Vice President  
Government and Industry Affairs

Enclosure


cc: Sen. Edwin Holl (w/enc.)  
Sen. J. Doyle Corman (w/enc.)  
Sen. Jay Costa (w/enc.)  
Rep. Nicholas Micozzie (w/enc.)  
Rep. Nicholas Colafella (w/enc.)  
IRRC (w/enc.)

COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT

June 25, 1993

SUBJECT: Legal Opinion  
Issuance of Financial Responsibility Cards  
by Insurance Agents

TO: Victoria A. Reider  
Acting Chief Counsel

FROM: Arthur F. McNulty   
Department Counsel

This will respond to your request that I review the January 20, 1993 memorandum of John L. Heaton, Chief Counsel to the Pennsylvania Department of Transportation. Please excuse my delay in completing this response as this is an assignment which was misfiled in my office.

In his January 20, 1993 memorandum Chief Counsel Heaton suggests that the Insurance Department's regulations require that financial responsibility cards be issued by the insurer, and cannot be completed by the consumer's insurance agent.

I have reviewed the regulations referenced by Chief Counsel Heaton, as well as the statutory basis pursuant to which those regulations were issued. I am in agreement with Chief Counsel Heaton that the regulation, as does the statute requires that an insurer issue to the insured a financial responsibility card. See 75 Pa. C.S. §1782; 31 Pa. Code §67.23. These sections require an insurer to issue a financial responsibility identification card to an insured.

However the same sections do not prohibit an agent being delegated the responsibility by an insurer to issue the required card. Therefore, I am unaware of any restriction in the laws of this Commonwealth which prohibits an agent from properly being delegated the ability to issue the financial responsibility cards. Of course, in those instances where an

agent would falsify the card, he would be in violation of the laws of this Commonwealth and therefore would be subject to the appropriate sanctions. See 40 P.S. §§233, 234 (relating to agent worthiness); 40 P.S. §1171.1 et seq. (relating to misrepresentation).

In conclusion, there is no doubt that insurers are required by the law to issue financial responsibility cards to insureds. The law is however silent, on how this duty is to be fulfilled, and therefore I am unaware of a preclusion for agents issuing the cards.

As a footnote, I would point out to you the statement in Chief Counsel Heaton's January 20, 1993 memorandum wherein he discusses PennDot's contact of certain companies. Apparently companies were not aware that their agents were issuing financial responsibility cards. I would suggest that the Department request PennDot to provide us with a list of the companies who responded that they have not authorized their agents to issue financial responsibility identification cards.

I trust this sufficiently responds to you. Please feel free to contact me should you have any questions.

AFM:lw

Z:W0621-6



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**Re: Regulation #11-165, Evidence of Financial  
Responsibility**

Dear Peter:

Following up on this morning's conversation, we have three concerns with the Department's proposed regulation. They do not involve substantive differences; but if not addressed, they will produce significant (but needless) paperwork for insurers.

**1. Section 67.24(b)(8) - Expiration date**

The proposed regulation requires that an auto insurance I.D. card state the actual expiration date; the current regulation requires an inscription below the effective date, "not valid more than 1 year from the effective date."

The change makes sense for policies that have a six month expiration (mine does - and has the expiration date rather than the 1 year inscription on it). However, it is not needed for those policies with a 1 year expiration, where the inscription would hold true; and putting it in place would require needless changes of forms.

Accordingly, we recommend the Department allow I.D. cards to set forth the expiration date either by an accurate inscription (e.g., either six months or one year) of when the policy is no longer valid, or by the actual date.

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The Department should also revise the preamble in this area. It states that "I.D. cards disclose the period for which coverage has been paid by the insured." However, this conflicts with Section 1782(d) of the Motor Vehicle Financial Responsibility Law, which allows I.D. cards for six month periods even though payment may be for a period of less than that.

**2. Section 67.27 - Elimination of Binders as Proof of Insurance**

The proposed regulation allows only for the issuance of temporary I.D. rather than binders as temporary proof of insurance. While we support temporary I.D. cards, we believe they should be allowed along with binders - not as a replacement for binders.

You are correct that the use of temporary I.D. cards is becoming more widespread. But it is not to the point where it is ready to be exclusive, as proposed in this regulation; the option of binders should remain.

**3. Paperwork**

Depending on how the above issues are resolved, this regulation could require significant paperwork for some insurers (presumably not its intent, as the preamble predicts no paperwork). If there is such paperwork, there should at least be ample time to exhaust current stock and print new stock.

We are generally supportive of the proposed regulation as a logical editing of the existing regulation. We look forward to resolving the above concerns.

Sincerely,



Samuel R. Marshall

c: John H. Jewett, Regulatory Analyst  
Independent Regulatory Review Commission