

# F.Y.I. EXPRESS



**"What You Don't Know Can't Help You!" ... Eddie K. Emmett, Editor / Publisher**

Subject: Re: BINDERS USED FOR TAG PURPOSES

Eddie:

I have just received a copy of several pages from DMVS Insurers' Responsibilities from my local tag office. I believe he sent it out to all agencies in our county. What my problem is that under "acceptable proof of Georgia motor vehicle liability insurance, it states "a valid binder issued by an insurer, licensed in Georgia, showing the vehicle's identification number (VIN) is acceptable proof of liability insurance coverage for thirty (30) days from the binder's issue date. The binder must be carried in the vehicle at all times while the vehicle is driven until a valid insurance record is received by this department electronically transmitted by the insurer. A binder is issued by the insurance agent when someone purchases new (highlighted new) insurance. A binder used as proof of insurance is valid for thirty (30) days. A binder cannot (highlighted cannot) be issued to a vehicle owner who already has an insurance policy in effect."

Now, our tag office requires that we give them a binder to have a tag issued. This reads like it really is not what they want. The next paragraph says "a bill of sale dated within thirty (30) days of vehicle's purchase date and a valid insurance declaration page issued by an insurer, licensed in Georgia, is acceptable proof of insurance coverage."

I just telephoned our local tag office. Seems he thinks we have been sending people in there telling them to get it straight. We know we have to get the correct VIN so we have not done that. There have been instances where the number was wrong at the state level and we had the proof (title and vehicle) and it did not agree with the state and we sent them there.

There have only been a few. He admitted that this is the only and correct way of handling that problem. Anyway, he tells me that we are to use the state temporary verification of insurance form "cleaner way of handling it", but we can use the binder. He admits that is not correct. He will not use a temporary card. The law enforcement will use a bill of sale and a dec page, but he will not. Seems only "good" way is the form they have.

Seems Agency Advantage needs to put this in our program.

What are you using?

Jackie Bennett

Dublin Insurance Center

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Subject: Re: BINDERS USED FOR TAG PURPOSES

Good morning, Jackie.

We have not had any problem with local tag offices honoring the temporary ID Binder card as long as the effective date is the date that the insured asked for the coverage to begin and is not over thirty days from that date.

We have accidentally left the ID card dates the same as the entire policy period and it was refused by the tag office.

I am not familiar with the "state temporary verification of insurance" form.

I have included Keith Thomas of GEICS / DMVS and ask for his input.

Thanks for writing. I'll keep you in the information loop.

eke

**Editor's note: Keith's quick & clear response is on page 2**

**Mark Your Calendars ... Insurance Expo 2005 August 18 – 20 at Gwinnett Convention Center in Duluth, GA**

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Subject: Re: BINDERS USED FOR TAG PURPOSES

FYI,

Basically you have 3 options that depend on circumstances when a customer's insurance verification is not in the GEICS database.

1. Per the law, you are correct in that binders should only be accepted when a new policy has been purchased within the last 30 days. So if a policy has been in force on a vehicle for more than 30 days a binder should not be used. However, I realize that many agents simply re-create a binder document with more recent issues dates as a temporary fix for customers.

2. Also per the law, if a policy has been in force for a while and the insured just buys a new vehicle, the old dec page along with a bill of sale is proof of insurance for 30 days from the date of sale.

3. All the County Tag Offices have access to a form (MV-18I) that serves as temporary proof of insurance much like the binder & dec page exceptions. This form can be faxed from the Tag Office to an agent and if the agent fills it out and faxes it back, the Tag Office will record it in the system. This will give the insured temporary proof of insurance for 30 days (from the date it is recorded in the system). The problem with this form is that it's not required by law so some Tag Offices refuse to offer it (even though all have the ability to create the MV-18I). Likewise, some insurance companies refuse to let their agents sign this form for legal concerns.

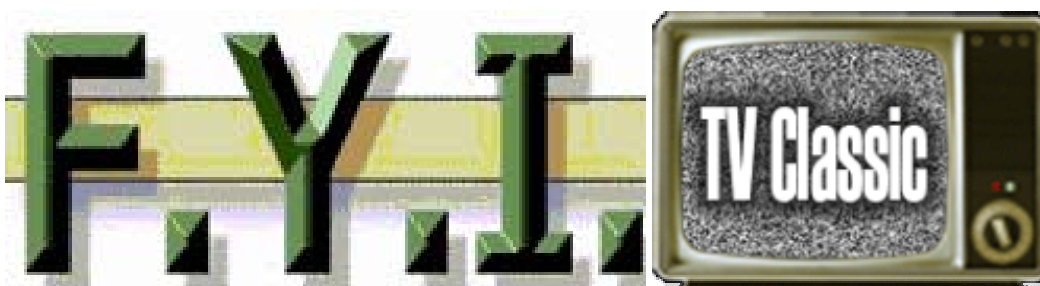
So all the above being said, nothing is really a perfect solution for all situations where an electronic record has not been sent by the insurer. But if you have any other questions or issues please don't hesitate to contact me.

Thanks,

KT

**Editor's note: Governor Perdue has signed legislation that will break up the DMVS and create a new Department of Driver Services.**

**We will cover how the changes will affect insurance agents and their policyholders during the "Twilight Zone" seminar at Insurance Expo 2005.**



**Insurance Expo 2005**

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