


March 21, 2014

**TO:** All Fire and Property and Casualty Companies  
Authorized to Issue Motor Vehicle Policies in Florida

**FROM:** Julie W. Gentry, Chief   
Bureau of Motorist Compliance

**SUBJECT:** Florida FR Redesign Information on Registration Sanctions

On December 15, 2013, our newly developed registration case was deployed into production. As many of you know, we previously only verified insurance at registration renewal. This deployment allowed us to begin verifying insurance on original registrations. Since deployment, we have noticed a large increase in sanctions created for our mutual customers. We have also had several insurance companies contact our Department advising that they have had an increased volume of calls and complaints from customers concerning these sanction types. This memo only applies to sanctions and verifications beginning with the number '8'.

Before a sanction is created, our system determines whether or not there is insurance on the insurance database for the VIN the customer is registering. If insurance is found for that specific VIN, a sanction is not generated. If insurance is not found on the insurance database for the VIN, the Department sends customer provided insurance information to the insurance company for verification. These verifications are in the new daily C files. Insurance companies have 20 days to confirm or deny the verification request. If a denial is received, our sanction generation process begins.

The issue comes in when a customer purchases a new or used vehicle through a dealer. Florida law requires the registrant to have insurance on that vehicle the day the vehicle is driven off the lot. The date is referred to as the "acquired date" and is also considered the "need date" for insurance purposes. Many insurance companies have policies that allow for grace periods which mean the customer is granted authority to notify you of the new purchase after the actual acquired date. Based on our research these grace periods vary from 14 to 30 days. We also discovered that some insurance companies have no grace period.

When verification is sent to the insurance company, the need date we will be asking for is the acquired date – the date that, for all practical purposes, our mutual customer actually drove the vehicle off the lot. Unfortunately, we are encountering many situations where the insurance company is denying insurance for the need date (acquired date) that is sent in the verification file. A sanction is thus created. Upon review, we are noticing that insurance is being sent effective the day after purchase or perhaps several days after the purchase. If your company allows a grace period, it is imperative that a confirmation is sent instead of a denial if the vehicle was covered on the need date (acquired date). We have had many customers show us documentation proving that their vehicle was

added to the policy on the appropriate date. However, their insurance was denied and thus suspended their driving privilege and registration immediately.

Again, this procedure (confirming coverage on the date the vehicle was added to the policy) only refers to the verifications sent with an '8' in field position 70. Please do not apply this to any other value in that field position.

Additionally, we have many insurance companies that are not retrieving and responding to their new daily C files. As a reminder, you have 20 days to respond. Please manually log into your SFTP account and review your verification folder to determine if you have any overdue verification files. Please refer to the memo dated January 14, 2014 for more information on these new daily C files and their naming convention.

It is important that you review our website to seek clarification for any questions that you may have before contacting us. We feel confident that the majority, if not all of your questions, can be answered at <http://www.flhsmv.gov/FRManualFTP/>. This information will be updated to the website.

Please direct all redesign questions to [FRRedesign@flhsmv.gov](mailto:FRRedesign@flhsmv.gov). Please be sure to include your username/account name (01234FTP) in the email subject line specifically so that we can identify your company account and process accordingly.

JWG/lwf/ll