

Vehicle Licensing Guide

Insurance Verification Orders and Reinstatement Fees VLIC-4.430

Original Date: 09/22/1998

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| POLICY | |
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| Title: Insurance Verification Orders and Reinstatement Fees | |
| Effective Date: 09/22/1998 | Revision Date: September 10, 2019 |
| Authority: Code of Virginia: §§ 46.2-411 , 46.2-706 | |
| <p>Policy</p> <p>DMV shall issue an Insurance Monitoring Notice to customers with a “Deadline Date” generated by the system or a “Prove by Date” by which he must respond to DMV with insurance information (refer to VLIC-4.425).</p> <p>DMV shall issue an Insurance Verification Order of Suspension to customers who fail to respond to Insurance Monitor Notices ON OR BEFORE the “Deadline/Prove by date” (see IMN Response Deadlines table). The order shall suspend their driving privilege and vehicle registration privileges and require the customer to:</p> <ul style="list-style-type: none">• Pay a reinstatement fee,• Pay the noncompliance fee assessed for uninsured motor vehicle (UMV), and• File a SR-22/FR-44, if applicable.<ul style="list-style-type: none">◦ If the vehicle is jointly owned, each co-owner must file a SR-22 and pay the reinstatement fee. However, only one noncompliance fee is required. | |
| <p>Exceptions:</p> <ul style="list-style-type: none">• The customer may request an administrative hearing to show just cause why an Insurance Monitoring Verification Order should not be enforced (refer to VLIC-4.435).• The suspension order and/or reinstatement requirements may be cancelled or waived for any of the following:<ul style="list-style-type: none">◦ DMV system error◦ DMV clerical error◦ A letter from the insurance company stating insurance coverage was denied in error IMPORTANT: The insurance company letter of error applies ONLY to IM02 orders of suspension.◦ Owner submits proof that the vehicle was insured at the time the insurance monitoring was initiated or at the time of a reportable accident or police check. <p><<<<<REVISION</p> <ul style="list-style-type: none">◦ Owner reports the vehicle was sold, traded, or moved out-of-state (refer to VLIC-3.448) on a date that is prior to the date the insurance monitoring was initiated. END REVISION>>>>>◦ Customer provides proof of pre-existing circumstances. (Refer to Pre-Existing Circumstances table) <p>NOTE: CSC Managers, DMV Direct Managers and Insurance Services personnel may exercise discretion and waive the reinstatement fee for extenuating circumstances on a case-by-case basis.</p> | |

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DEFINITIONS

Proof of Financial Responsibility-A motor vehicle covered by bodily injury liability insurance and property damage liability insurance in the amounts required by law (Va. Code § [46.2-472](#)), issued by an insurance carrier authorized to do business in the Commonwealth; or to which a bond has been given or cash or securities delivered in lieu of the insurance; or to which the owner has qualified as a self-insurer in accordance with the provisions of § [46.2-368](#).

UNINSURED MOTOR VEHICLE-A motor vehicle for which there is no such bodily injury liability insurance and property damage liability insurance, or no such bond has been given or cash or securities delivered in lieu thereof, or the owner of which has not so qualified as a self-insurer.

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OVERVIEW

The five types of Insurance Monitor Notices sent to customers requesting insurance coverage information are (refer to [VLIC-4.425](#)):

- **IMN1** – A Vehicle Registration type notice generates because no insurance information is received from an insurance company for a newly registered vehicle.
- **IMN2** – An Insurance Cancellation type notice generates because no insurance information is received from an insurance company to replace the cancelled insurance.
- **IMN3** – A DMV Inquiry, Accident, Police Check, Insurance Information Request type notice generates because information is received from a citizen or law enforcement official indicating that a vehicle may not be insured.
- **IMN4** – An Insurance Cancellation, Multiple Vehicles type notice generates because no insurance information is received from an insurance company to re-insure multiple vehicles.
- **IMN5** – A Vehicle Registration, Multiple Vehicles type notice generates because no insurance information is received from an insurance company for multiple newly registered vehicles.

Insurance Monitor Notices provide the customer with either a “Deadline” or “Provide by” date by which he must respond (refer to [VLIC-4.425](#)). Due to changes in policy for insurance reporting over the years, “Deadline/Provide By” dates on IMN notices vary based on the date the notice was issued (see below).

| IMN Response Deadlines | |
|--|--|
| For an IMN issued: | To Avoid a Suspension Order, Customer Must Prove Insurance, or Take Actions Required in the IMN, by the: |
| ON OR AFTER July 1, 2013 | <ul style="list-style-type: none"> • Deadline Date on the IMN (Customer has 21 days from IMN notice date to respond.) |
| From November 29, 2007 to June 30, 2013 | <ul style="list-style-type: none"> • Deadline Date on the IMN (Customer had 30 days from IMN notice date to respond.) |
| From September 4, 2003 to November 28, 2007 | <ul style="list-style-type: none"> • Prove by Date on the IMN (Customer had 45 days from IMN notice date to respond.) |
| With “Prove by Dates” BEFORE September 4, 2003 | <ul style="list-style-type: none"> • Prove by Date on the IMN (Customer must have proven insurance was effective ON the date of the 1st issued IMN.) |

Customers failing to respond to any of the Insurance Monitor Notices listed above ON OR BEFORE the “Deadline/Prove by date” will be sent one of the following Insurance Verification Orders of Suspension:

- **IM01** – Insurance Monitoring
- **IM02** – Insurance Monitoring/Denied
- **IM03** – Insurance Monitoring Uninsured Multiple Vehicles
- **IM04** – Insurance Denied Multiple Vehicles

Upon issuance of an Insurance Verification Order of Suspension the customer’s driver’s license and vehicle registrations are suspended until one of the following actions are taken:

| Compliance of Insurance Monitor Orders | | | | | |
|--|-------------------------------|------------------------------|-------------------------------|--------------------------------|----------------------------------|
| Satisfy Order Requirements | Prove Insurance was in Effect | Report Vehicle Sold or Moved | Report Vehicle as Repossessed | Request Administrative Hearing | Prove Pre-existing Circumstances |

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|--|--|--|---|---|--|
| <ul style="list-style-type: none"> • Pay reinstatement fee • Pay noncompliance fee¹ assessed for UMV, and • File SR-22/FR-44 | <ul style="list-style-type: none"> • Proof the required insurance was in effect during the monitoring period ² (Including accident reports and police checks.) | <ul style="list-style-type: none"> • Proof vehicle was sold, traded, donated or moved out-of-state prior to the date the insurance monitor was initiated ³ (Including accident reports and police checks.) | <ul style="list-style-type: none"> • Letter from lienholder on company letterhead ³ | <ul style="list-style-type: none"> • Refer to VLIC-4.435 | <ul style="list-style-type: none"> • Provide proof as listed on the Preexisting Circumstances table |
| <p>¹ Customers required to pay a noncompliance fee may enter into a Noncompliance Fee Payment Plan Agreement (VLIC-4.436) allowing them to drive and register their vehicle while paying off the noncompliance fee(s) over 3 years.</p> <p>² The system automatically removes the insurance order of suspension, reinstatement fee, and requirements to prove financial responsibility.</p> <p>³ The system automatically removes the insurance order of suspension and requirements to prove financial responsibility. The CSR must request assistance from CSC management or designee to waive the reinstatement fee.</p> | | | | | |

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CUSTOMER REQUIREMENTS

Customers MUST submit one of the following to a CSC to comply the Insurance Verification Order:

1. If the vehicle(s) was insured:
 - a. Submit the name of the insurance provider, the five-digit National Association of Insurance Commissioners (NAIC) and the policy number for the insured vehicle(s)
2. If the vehicle(s) was NOT insured:
 - a. Pay the noncompliance fee
 - Customer may choose to pay the entire fee, or
 - Enter into in the Noncompliance Fee Payment Plan agreement (refer to [VLIC-4.436](#)), when eligible.
 - b. File a Uniform Financial Responsibility Form (SR22/FR44), if applicable,
 - c. Pay the reinstatement fee, if applicable.
3. If the vehicle was sold or traded:
 - a. Vehicle Price Certification ([SUT 1](#)) or other proof of sale containing the information required for a [Bill of Sale](#) for vehicles more than 5 years old,

NOTE: If changing disposition (sold) date previously provided, bill of sale MUST be NOTARIZED.

OR

Affidavit of Vehicle Purchase Price ([SUT 1A](#)) for vehicles that are 5 years old or newer.
 - b. Sales receipt stating vehicle was donated or sold as salvage (junked)
 - c. Valid Document showing transfer of vehicle to dealer:
 - Buyer's Order
 - Letter from dealer (on company letterhead)
4. If the vehicle was moved out of state:
 - a. Out of State Registration Card or Title
 - MUST display ISSUE DATE
 - b. Out of State Verification Letter from Department of Motor Vehicles
 - MUST be on official letterhead
5. If the vehicle was repossessed:
 - a. Letter from lienholder (on company letterhead)
6. Request an Insurance Monitor Administrative Hearing (REFER to [VLIC-4.435](#))

7. Provide proof documentation if one of the pre-existing circumstances below existed ON OR BEFORE the issue date of the Insurance Monitor Notice and remained continuous through the "DEADLINE" date for **IMN1, IMN2, IMN4, & IMN5** notices. All documentation **MUST** be faxed to DMV Headquarters, [Insurance Services Work Center](#). (REFER to the following chart to determine the documentation required to support the pre-existing circumstance.)

| PRE-EXISTING CIRCUMSTANCES | |
|--|--|
| CUSTOMER CIRCUMSTANCE | CUSTOMER REQUIREMENTS |
| IMPORTANT: If the customer is providing proof of a pre-existing circumstance and the vehicle registration/plates are currently active, the customer MUST also provide a letter from his insurance company proving current insurance information on his vehicle or deactivate/surrender his plates. | |
| Active Duty Military | <ul style="list-style-type: none"> • Military orders • Signed letter from commanding officer or first sergeant with name and deployment dates • DD Form 214 (Virginia Reserves Only) <ul style="list-style-type: none"> ○ MUST display dates of service • Proof the vehicle was out of service <ul style="list-style-type: none"> ○ Receipt from storage facility with storage dates listed ○ NOTARIZED written statement with dates certifying that the vehicle was NOT driven, not insured, and SOLELY owned or leased by the Active Duty Military member. |
| Diplomatic Service | <ul style="list-style-type: none"> • Diplomatic orders • Certification letter written on U.S. government letterhead verifying service in a diplomatic capacity, or accompaniment of a diplomat (spouses and dependents), outside of the United States. The letter must be signed by a supervisor and include the customer's name. • Proof the vehicle was Out of Service or Not Driven in the United States or insured outside of the United States <ul style="list-style-type: none"> ○ Receipt from storage facility with storage dates listed ○ NOTARIZED written statement with dates certifying that the vehicle was NOT driven, not insured, and SOLELY owned or leased by the Diplomat. |
| Civilian Employee | <ul style="list-style-type: none"> • Copy of the travel orders or a certification letter, on U.S. government letterhead (for civilian employees, spouses, and dependents) or on contractor's letterhead, signed by the commanding officer/supervisor • Proof the vehicle was Out of Service or Not Driven in the United States or insured outside of the United States <ul style="list-style-type: none"> ○ Receipt from storage facility with storage dates listed ○ NOTARIZED written statement with dates certifying that the vehicle was NOT driven, not insured, and SOLELY owned or leased by the Civilian Employee. |
| Incarceration | <ul style="list-style-type: none"> • Signed letter from correctional facility • Release from correctional facility • Signed letter from parole officer <p>IMPORTANT: Documents MUST include the customer name and dates of incarceration.</p> |
| Hospitalization/Inpatient Treatment | <ul style="list-style-type: none"> • Signed letter from physician or medical/mental health facility • Release form or other documentation from medical/mental health facility <p>IMPORTANT: Documents MUST indicate the customer name and dates of stay.</p> |

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FRONT COUNTER CSR

1. Identify which type of insurance verification order is on the customer's record.
 2. Verify the documents submitted based on the customer's response to the Insurance Monitor Notice/Insurance Verification Order:
 - [Insurance Services](#), or
 - DMV Law Enforcement following guidelines in [LE-1.00](#).
- a. IF INSURED
- Proof of insurance.
 - If the information is sufficient to prove insurance was in effect at the time of the monitor, the system will automatically remove the insurance order of suspension, reinstatement fees, and financial responsibility requirements and return driver

licensing and vehicle registration privileges. This includes for accident reports and police checks.

b. IF NOT INSURED

- Noncompliance fee,
 - Customer may choose to pay the entire fee, or
 - Enter into the Noncompliance Fee Payment Plan agreement (refer to [VLIC-4.436](#)), when eligible.

IMPORTANT: If an insurance monitoring order of suspension is issued for multiple vehicles and the vehicles are uninsured, the customer **will be required to pay the noncompliance fee on each vehicle.**

- Insurance Certificate Form SR-22/FR-44
- Reinstatement fee, if the order of suspension is effective.

c. THE VEHICLE WAS SOLD OR TRADED

- Vehicle Price Certification ([SUT 1](#)) or other proof of sale containing the information required for a [Bill of Sale](#) for vehicles more than 5 years old —MUST include the following:
 - Vehicle Identification Number (VIN), and
 - Vehicle make and year, and
 - Amount paid for the vehicle, and
 - Date of sale, and
 - Printed name and Signature of BOTH the buyer and seller.

NOTE: If changing disposition (sold) date previously provided, bill of sale MUST be NOTARIZED (refer to [VLIC-3.448](#)).

OR

Affidavit of Vehicle Purchase Price ([SUT 1A](#)) for vehicle 5 years old or newer.

- Sales receipt stating vehicle was donated or sold as salvage (junked)
- Valid Document showing transfer of vehicle to dealer:
 - Buyer's Order
 - Letter from dealer (on company letterhead)

d. THE VEHICLE WAS MOVED OUT OF STATE.

- Out of State Registration Card or Title
 - MUST display ISSUE DATE
- Out of State Verification Letter from Department of Motor Vehicles
 - MUST be on official letterhead

e. THE VEHICLE WAS REPOSSESSED

- Letter from lienholder (on company letterhead)

f. REQUEST AN ADMINISTRATIVE HEARING, (Refer to [VLIC-4.435](#))

g. PRE-EXISTING CIRCUMSTANCES. (Refer to [Pre-Existing Circumstances Table](#))

3. Determine if the customer's order of suspension can be updated at the CSC:

- If the customer states the vehicle was not insured or provides any of the following, update the Insurance Verification Order in the CSC:
 - Proof of insurance, or
 - Documentation stating the vehicle(s) was sold, traded, repossessed, moved out-of-state, donated, or sold as salvage (junked).

- Verify that the date of the sale, trade, repossession, move, donation or sale as salvage is prior to the date the insurance monitor was initiated.

IMPORTANT: Determine if the customer has an Insurance Monitoring Administrative Hearing Request (FRH) on the insurance verification order of suspension.

- If the customer has requested a hearing and the order of suspension status displays "FRH" status
 - Scan ALL documentation stating the vehicle(s) was sold, traded, repossessed, moved out of state, donated, or sold as salvage (junked) via Landing Zone to the [Insurance Services Work Center](#).
 - If the customer provides supporting documentation that a pre-existing circumstance existed, the CSR CANNOT update the order and they MUST:
 - Review the supporting documentation the customer has provided to ensure that a pre-existing circumstance existed ON OR BEFORE the issue date of the insurance monitor notice and remained continuous through the "DEADLINE" DATE for **IMN1, IMN2, IMN4, & IMN5** notices. (Refer to the [Pre-Existing Circumstances](#) table above.)
 - Scan the documentation via Landing Zone to the [Insurance Services Work Center](#) for the order to be updated.
 - Inform the customer the Insurance Services Work Center will determine final approval on supporting documentation and update the order of suspension.
- 4. Verify and enter the customer's insurance information into the system, if applicable. If the customer presents:
 - Insurance information
 - Ensure the system reflects the name of the insurance provider, the five-digit National Associate of Insurance Commissioners (NAIC) code, the policy number and the date of coverage.
 - If the information is sufficient to prove insurance was in effect at the time of the monitor, the system will remove the insurance order of suspension, reinstatement fees and proof of financial responsibility requirements and return driver licensing and vehicle registration privileges to the vehicle owner(s).
 - Proof of vehicle sold, traded, moved out-of-state
 - Request CSC management or designee assistance to manually waive the reinstatement fees, if the system does not waive them automatically.
 - If the system does not cancel the order of suspension, and the information was keyed correctly, scan the documentation via Landing Zone to the [Insurance Services Work Center](#) for the order to be updated. DO NOT delete insurance monitor orders.
 - SR-22/FR-44
 - DMV will accept a SR-22/FR-44 that is not more than 30 days old and has up to 2 incorrect characters on the vehicle Identification number (VIN).
 - Enter the correct VIN number into the system.
 - If 1 or 2 of the VIN characters are posted to the system incorrectly from the SR-22/FR-44:
 - i. Send a DL9 to SSG (Location Code: 167) to request the customer's SR-22/FR-44 correction of the VIN.
 - ii. A DL9 may **only** be sent for this action, **no general questions may be sent to SSG using a DL9**.
 - If an SR-22 certificate of insurance more than 30 days past its issue date is posted to the system in error:
 - Contact the DMV DIRECT Help Desk at (804) 367-6646. The DMV DIRECT Help Desk will contact the Insurance Monitoring Work Center.
- 5. Review the customer's Insurance Monitoring Administrative Hearing Request, if applicable. (REFER to [VLIC-4.435](#))
- 6. Process the compliance transaction.

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DMV CONTACT CENTER ACTIONS

1. Ensure the customer's record is updated to reflect the following information on the insurance order of suspension (Pending or Effective status):
 - Insurance code
 - Received date
 - Policy number
 - If the wrong insurance code or policy number is entered, scan any documentation via Landing Zone to the [Insurance Services Work Center](#) to update the insurance information change.
2. If a customer requests to surrender their license plate, ask the customer if they have received correspondence from DMV regarding their insurance.
 - If they indicate they have received a correspondence from DMV, check the customer record for insurance monitoring verification notices or order of suspension.
 - If they indicate they have NOT received correspondence from DMV,
 - Surrender the customer's license plates.
 - Advise the customer the license plates are no longer registered to a vehicle and should NOT be used to operate any vehicle.
3. If a CSR indicates they have entered a FORM SR-22/FR-44 certificate of insurance that is more than 30 days past the date it was issued into the system in error:
 - Scan documentation via Landing Zone to [Insurance Services Work Center](#) requesting a correction.
4. Mark the vehicle record sold:

DMV CONTACT CENTER AGENT ONLY: If the vehicle has been sold, traded or moved to another state, it is acceptable to deactivate the vehicle registration, regardless of whether there is an order or inquiry on the vehicle record.

IMPORTANT: DMV Contact Center Agents **must** verify if the customer has an Insurance Monitoring Administrative Hearing Request on the insurance verification order of suspension. If the customer has requested a hearing and the order of suspension status displays "FRH" status, the agent **must** instruct the customer to send ALL documentation stating the vehicle(s) was sold, traded, repossessed, moved out of state, donated, or sold as salvage (junked) to the [Insurance Services Work Center](#).

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POINTS TO REMEMBER

<<<<<REVISION

1. Customers are required to insure all vehicles in their name at the time of registration application and during the entire registration period unless the license plates are surrendered to DMV in accordance with [VLIC-4.405](#). **END REVISION>>>>>**
2. Insurance companies authorized to do business in Virginia are required to furnish liability insurance information to DMV electronically.
 - Insurance companies must provide notification of a policy change to liability insurance for a vehicle registered in Virginia within 30 days, including changes to financial responsibility. Reportable policy changes include:
 - New liability insurance policies,
 - Additions to existing policies,
 - Insurance cancellations,
 - Reissues or reinstatement of liability insurance, and
 - Lapses in liability insurance.
3. If an insurance company inadvertently denied coverage, the insurance company must furnish DMV a letter (on letterhead stationary) stating that liability coverage was denied in error.
4. When the customer provides the name of the insurance company such as: USAA (United Services Automobile Association) and GEICO (Government Employees Insurance Company), these abbreviations are trademarks of the Insurance companies and DMV will accept the trademark name and update the IMN (inquiries and orders of suspension.)
5. If the customer type is "T" for a long term leasing company, only the vehicle being monitored will have a FR stop.

- The customer record will not show a suspended status once the order becomes effective.
6. If the customer type has "B" for business, the FR stop would be placed on all vehicles in the company's name.
- The customer record will show a suspended status once the order becomes effective.
7. Customers may submit proof of insurance or a SR-22/FR-44 by:
- a. Contacting a DMV DIRECT agent at (804) 497-7100 to give proof of insurance or to get additional information,
 - DMV Direct agents cannot record SR-22/FR-44 document information reported on the telephone. They must have the physical document (original, faxed or photocopied) indicating the insurance coverage information to be entered on the customer record.
 - b. Faxing from the insurance provider to DMV,
 - c. Mailing to DMV Headquarters [Insurance Services Work Center](#),
 - d. Submitting at a Customer Service Center,
 - e. Requesting their insurance provider send it to DMV electronically.
8. If the customer has received more than one Insurance Order type for the same vehicle during the same registration period, the customer must:
- a. Pay the \$ 600.00 noncompliance fee for each order, OR
 - b. Provide a copy of the Accident report, Police Check, Insurance Information Request or summons for no insurance to provide proof that the insurance orders were for the same vehicle (the vehicle make and license plates are the same) within the same registration period.

IMPORTANT: If the customer can provide proof that more than one type of insurance order was issued for the same vehicle within the same registration period:

- The Front Counter CSR must scan the proof documents via Landing Zone to [Insurance Services Work Center](#) to be updated in the system.
- The [Insurance Services Work Center](#) will determine if the documentation is acceptable and update the Insurance Order.

NOTE: Customers must pay the noncompliance fee unless they can provide proof that the required insurance was in effect on the date of the monitor.

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RELATED LINKS

- Vehicle Licensing Guide: [VLIC-4.425](#), [VLIC-4.105](#), [VLIC-4.435](#), [VLIC-4.436](#)

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CONTACT

For additional information contact:

- Your CSC Manager/Assistant Manager
- DMV Contact Center Help Desk (804) 367-6646
- VSA/[Insurance Services Work Center](#)