

## **TITLE 280 – DEPARTMENT OF REVENUE**

### **CHAPTER 30 – DIVISION OF MOTOR VEHICLES**

#### **SUBCHAPTER 10 – REGISTRATION**

PART 2 – Rules and Regulations Relative to Compulsory Insurance or Financial Responsibility

#### **2.1 Authority**

Pursuant to the provisions of R.I. Gen. Laws § 31-47-3, the Rhode Island Department of Revenue hereby adopts and establishes the following Rules and Regulations regarding financial responsibility when owning and operating motor vehicles in the State of Rhode Island.

#### **2.2 Purpose**

- A. The purpose of these Rules and Regulations is to provide effective administration and enforcement of the provisions of R.I. Gen. Laws Chapter 31-47 regarding the compulsory nature of financial responsibility when owning or operating motor vehicles and holding driving privilege in this state.
- B. These Rules and Regulations are promulgated to protect the interests of the public when driving upon the roadways of the state of Rhode Island. Any violation of these provisions may result in:
  - 1. Suspension of a driver's license;
  - 2. Suspension of motor vehicle registration and license plates;
  - 3. A fine of \$500 for the first and second offenses;
  - 4. A fine of \$1,000 for the third and subsequent offenses;
  - 5. A possible year's imprisonment (for violation occurring a third and subsequent time).

#### **2.3 Definitions**

- A. "Assistant Director" and "Registrar" mean the person with the title of Administrator, Division of Motor Vehicles, or his or her designee.
- B. "Cause of action" means a lawsuit filed in any court with jurisdiction over the subject matter.

- C. “Owner’s policy of liability” means a policy as prescribed by the Department of Business Regulation in rules and regulations published in accordance with this chapter.
- D. “Revocation” and “suspension” used throughout R.I. Gen. Laws Chapter 31-47 mean removal of privilege(s).
- E. “Statement” when used relative to registration, renewal registration or driver’s license means all of the information required under R.I. Gen. Laws § 31-47-3.1 as well as all information required under R.I. Gen. Laws § 31-3-3.

## **2.4 Administrative Policies**

- A. Information concerning motor vehicle violations of applicants for insurance shall be made available to insurers in accordance with R.I. Gen. Laws §§ 31-47-3 and 31-2-10.
- B. Dealers who register motor vehicles for buyers must have the buyer sign a statement which complies with R.I. Gen. Laws § 31-47-3.1(b)(1).
- C. Leasing companies which register a motor vehicle leased to any person must certify to the Division of Motor Vehicles that the lessee of the vehicle has signed a statement which complies R.I. Gen. Laws § 31-47-3.1(b)(2) and have it available in their files for possible use by the State at some later date.
- D. The following rules apply to persons wishing to deposit cash or acceptable securities as a way of meeting the financial responsibility requirement.
  - 1. The cash or other security must be physically placed in the hands of the State of Rhode Island and arrangement must be made so that the state may use the funds in case of liability assessed against the depositor.
  - 2. No interest will be paid by the state on deposited funds.
  - 3. Depositor will be given a receipt for the security and a certificate stating that he has complied with the law which can be used as evidence if asked for same by law enforcement.
  - 4. In the event a person wants to substitute one form of financial security for another in accordance with R.I. Gen. Laws Chapter 31-47, the Division of Motor Vehicles shall allow such substitution upon reasonable notice (not less than 10 business days) and approval of such substitution in accordance with statute.
- E. Evidence of financial responsibility may be demonstrated in either paper or electronic format. Acceptable paper and electronic format include the Insurance Identification Card, or its electronic version, as issued by the insurance company (or its representative) insuring the vehicle and/or driver.

1. Paper Cards shall meet the following specifications:
  - a. Size of the card may vary from 3 x 2-1/8 to 5-1/2 x 3/34.
  - b. The card shall be a one-part form on at least 20 pound white paper stock.
  - c. The following must be shown on the card:
    - (1) "Rhode Island Automobile Insurance Identification Card"
    - (2) The name of the insurance company
    - (3) The name of the policyholder
    - (4) The policy number
    - (5) The policy effective date and expiration date
    - (6) A description of the vehicle, which shall include the year, make and vehicle identification number; if the policy covers five or more vehicles, the word "Fleet" may be substituted for the vehicle description; if no vehicle is owned, the words "named operator" may be substituted for the vehicle description; if the card is for a motor vehicle dealer, the words "named operator" may be substituted for the vehicle description; if the card is for a motor vehicle dealer, the words "dealer plates" may be substituted for the vehicle description. Mechanics or other employees of any automobile repair shop, body shop, automobile dealer, service station, inspection station or parking facility driving a customer's automobile must carry a card (or certificate of insurance) showing the employer has a policy covering employees while driving customers' vehicles.
    - (7) At the option of the insurer, other information may be included such as company logo, insured's address, agent/broker's office address, what to do in the event of an accident, etc.
  - d. Temporary identification cards with the same specifications, except that the words "temporary" must be shown, may be utilized pending receipt of the permanent card by the policy holder.
2. Electronic Versions shall meet the following specifications:
  - a. A display which shows proof of insurance on any electronic device

- b. The information displayed on the electronic device shall include the same information as set forth in § 2.4(E)(1) of this Part.
- F. Insurance binders, policies, endorsements or certificates of insurance may be utilized as evidence of insurance. When a binder is used to prove insurance at time of registration, or renewing a registration it must be presented to the Division of Motor Vehicles.
- G. Evidence of financial responsibility may be demonstrated by a certification from the Division of Motor Vehicles showing that proper bond, cash, or securities placed are on deposit with the Division of Motor Vehicles or by certificate of self-insurance.
- H. If suspension of either registration or driver's license occurs after an individual has been involved in an accident and that individual becomes eligible for reinstatement in three months or six months following the accident; then the assistant director, at his or her discretion, may require the deposit of security in an amount sufficient to satisfy any judgments for injuries and/or damages resulting from such accident as a condition precedent to reinstatement.
- I. The fee for reinstatement of vehicle registration shall be \$250.00, pursuant to R.I. Gen. Laws § 31-8-4. If registration on more than one vehicle is suspended, the reinstatement fee shall be \$250.00 per vehicle.
- J. The fee for reinstatement of driver's license shall be \$150.00, pursuant to R.I. Gen. Laws § 31-11-10.
- K. Insurance companies shall submit information requested per R.I. Gen. Laws § 31-47-17 on a form acceptable to the assistant director.
- L. As provided in R.I. Gen. Laws § 31-47-8.1, the administrator must sample at random owners of registered vehicles as a means of determining compliance with the provisions of R.I. Gen. Laws § 31-47-1 *et seq.*
  - 1. The Administrator shall send to the owners of the randomly selected motor vehicles or to randomly selected motor vehicle owners an insurance verification form which must be completed out and returned within twenty (20) days of mailing date.
  - 2. The insurance verification form shall indicate clearly the date by which the form must be returned.
  - 3. The insurance verification form shall contain the year, make, model and vehicle identification number of the owned vehicle. It shall also show the license plate number assigned to the vehicle.
  - 4. The vehicle owner shall supply the following insurance verification information.

- a. Whether or not the vehicle was insured on the verification date specified: if not, the reason no insurance existed;
  - b. The name of the insurance company that insures the motor vehicle;
  - c. The policy number;
  - d. The effective date of the policy and the expiration date of the policy;
  - e. The signature of the owner.
5. If the form is not returned, OR, if the form is returned without full information, OR if, after checking with the insurance company, it is determined that the owner has registered or maintained the registration without proper financial security in force; the owner will be notified by the Administrator that he/she has twenty (20) days to furnish proper proof of coverage in force on the verification date. After twenty (20) days without proper proof, the owner is subject to all penalties set forth under this chapter.

## **2.5 Hearings**

- A. All hearings under shall be conducted in accordance with R.I. Gen. Laws Chapter 42-35 entitled "Administrative Procedures."
- B. Notice of hearing shall be sent to requesting person fifteen (15) days prior to hearing date by normal mailing to last known address as indicated on registration of motor vehicle or driver's license or to any other address as requested in writing by the party seeking review.
- C. Notice shall also include a statement of reasons for suspension.
- D. Any party dissatisfied with an order of assistant director after hearing may appeal that order in accordance with provisions of R.I. Gen. Laws Chapter 42-35., "Administrative Procedures."

## **2.6 Severability**

These Rules and Regulations are hereby declared to be severable; and, if any portion of these Rules and Regulations shall at any time be declared to be unenforceable or illegal, no other portion of such Rules shall be affected thereby.

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