

Fast Facts 18

Financial Responsibility (Insurance) Requirements for Vehicle Registration



Do I Need Financial Responsibility?

Financial responsibility (commonly known as insurance) is required on all vehicles operated or parked on California roadways.

You must carry evidence of financial responsibility in your vehicle at all times and it must be provided as specified below when:

- Requested by law enforcement.
- Renewing vehicle registration.
- The vehicle is involved in a traffic collision.

Insurance companies in California are required by law (*California Vehicle Code* [CVC] §16058) to electronically report private-use vehicle insurance information to the Department of Motor Vehicles (DMV). Insurance companies are exempt from electronically reporting insurance information for vehicles covered by commercial or business insurance policies.

Electronic reporting of insurance information and programming changes that took effect in 2006, allow DMV to monitor insurance coverage and take appropriate actions through vehicle suspension as required by law.

Law enforcement and court personnel have electronic access to insurance status on DMV records.

What Are the Minimum Liability Insurance Requirements for Private Passenger Vehicles (California Insurance Code §11580.1b)?

- \$15,000 for injury/death to one person.
- \$30,000 for injury/death to more than one person.
- \$5,000 for damage to property.

Liability insurance compensates a person other than the policy holder for personal injury or property damage. Comprehensive or collision insurance does not meet vehicle financial responsibility requirements.

What Are the Types of Financial Responsibility?

- Motor vehicle liability insurance policy.
- Cash deposit of \$35,000 with DMV.
- DMV-issued self-insurance certificate.
- Surety bond for \$35,000 from a company licensed to do business in California.

For information regarding cash deposits or self-insurance, contact the DMV Financial Responsibility Unit at (916) 657-6520.

To locate a company that issues surety bonds, contact the Department of Insurance at insurance.ca.gov or by calling 1-800-927-4357.

Is Low Cost Insurance Available?

If you cannot afford liability insurance, you may be eligible for the California Low Cost Automobile Insurance Program. Additional information is available at mylowcostauto.com or by calling 1-866-602-8861.

Will I Be Asked to Provide Evidence of Financial Responsibility?

You may be requested to submit additional insurance information to DMV, such as:

- A document or identification card from your insurance company.
- A DMV authorization letter, if you are a cash depositor or are self-insured.
- California Proof of Insurance Certificate (SR 22) form for broad coverage or owner's policy.
- Evidence that the vehicle is owned or leased by a public entity defined in *California Government Code* §811.2.
- A Notification of Alternative Forms of Financial Responsibility (REG 5085) form for a vehicle covered by commercial or business policies and being registered for the first time.
- A Statement of Facts (REG 256) form certifying the motor carrier has evidence of insurance on file with the Public Utilities Commission or DMV pursuant to CVC §34630.

Must I Notify DMV Before I Cancel My Insurance?

Yes. To prevent a vehicle registration suspension, you must notify DMV before you cancel your insurance. If you are not operating your currently registered vehicle, and it is not parked on a California roadway, you may submit an Affidavit of Non-Use (ANU) (REG 5090) form to DMV online at dmv.ca.gov, by calling the automated voice system at 1-800-777-0133, or by mail to one of the addresses at the end of this brochure.

You may remove the ANU during the same registration year online at dmv.ca.gov, by calling 1-800-777-0133, or by mailing evidence of insurance to the DMV-VIP Unit at the address at the end of this brochure.

After filing the ANU, the vehicle's insurance may be cancelled. However, if the vehicle is still not in use when registration renewal fees are due, you must pay renewal fees or request the vehicle be placed on planned nonoperation (PNO) status. You are **not** eligible to file an ANU once the registration expires. You can obtain additional PNO information at dmv.ca.gov.

When Is My Vehicle Registration Subject to Suspension (CVC §4000.38)?

Vehicle registration is suspended when:

- DMV is notified that an insurance policy has been cancelled and a replacement policy is not submitted within **45 days**.
- Insurance information is not submitted to DMV within **30 days** of issuance of a registration card upon initial registration or transfer of ownership.
- The registration is obtained by providing false evidence of insurance.

What Do I Do If My Vehicle Registration Is Suspended?

If you have received a letter from DMV stating your vehicle registration will be suspended in the near future or has already been suspended, submit your insurance information and/or reinstatement fee:

- Online at dmv.ca.gov (with or without a notification letter). The Vehicle Registration Suspensions and Insurance Program pages provide up-to-date vehicle registration insurance suspension status and options to submit a reinstatement fee payment electronically, submit insurance information, submit/remove an Affidavit of Non-Use (ANU), and frequently asked questions (FAQ).
- By mail with your notification letter. Mail the detachable stub from your notification letter, proof of liability insurance, and/or a reinstatement fee payment to:
 - DMV
PO Box 997405
Sacramento, CA 95899-7405
- By mail without a notification letter. Mail proof of liability insurance and/or a reinstatement fee payment to:
 - DMV-VIP Unit
PO Box 997408 MS N305
Sacramento, CA 95899-7408
- By telephone on the automated voice system at 1-800-777-0133. You may also verify your registration insurance suspension status, submit a reinstatement fee payment, submit proof of liability insurance, and submit/remove an ANU.

NOTE: DMV field office and call center personnel **cannot** process paperwork to clear vehicle registration insurance suspensions. You will be referred to one of the service options listed previously.

What Are the Consequences of Driving a Vehicle With Suspended Registration?

In addition to the vehicle registration suspension, you may:

- Be cited.
- Have your vehicle impounded.
- Be personally liable for damages, if you are involved in a collision.