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FOR IMMEDIATE RELEASE

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DMV ANNOUNCES AUTOMOBILE LIABILITY INSURANCE REPORTING WITH INSURANCE INDUSTRY

Columbia, S.C., March 30, 2004 – The South Carolina Department of Motor Vehicles and the Department of Insurance announced the implementation of the Automobile Liability Insurance Reporting system (ALIR) with the insurance industry. The new system will allow insurance companies to report automobile insurance policy changes and cancellations electronically, improving DMV's ability to detect uninsured motorists in South Carolina.

"The ALIR system will automate the insurance reporting system, eliminating a time consuming manual process for both the insurance industry and DMV," said Marcia Adams, Director Designate of the Department of Motor Vehicles. "Faster processing means faster detection of uninsured motorists. That's a big step forward for South Carolina."

According to the Insurance Research Council year 2000 study, South Carolina ranks third in the nation with a 35 percent uninsured motorist rate. The ALIR system will detect more uninsured motorists, which will help reduce this rate and ultimately save money for all South Carolina drivers. "Staff from both the Department of Insurance and the Department of Motor Vehicles have worked to make this project a reality. We are glad to have a system in place that will help to identify uninsured motorists and get them off of our roads," said Ernst Csiszar, Director of the SC Department of Insurance.

Insurance companies will report cancellations to DMV every 30 days through the ALIR system. As soon as a policy is cancelled, vehicle owners will be subject to a fine of \$5.00 per day for each day their vehicle was uninsured, beginning on the cancellation date reported by the insurer. Vehicle owners who are reported to DMV will then receive a letter giving them 45 days to provide proof of liability insurance coverage. If they cannot provide that proof, their license plate will be suspended, they will also be required to pay a \$200.00 reinstatement fee, and highway patrol will confiscate the suspended plate from the owner. In all cases, owners will be required to pay \$5.00 for each uninsured date.

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If more than one vehicle was covered by the cancelled policy, owners must pay these fines and be subject to suspension for each vehicle that was covered by the policy. If a vehicle is subject to the \$5.00 per day uninsured fine or if the vehicle registration is suspended, the vehicle registration cannot be renewed and the vehicle cannot be sold.

“The bottom line is that it’s going to be tougher and more expensive to drive without insurance,” said Marcia Adams. “Vehicle owners who allow their liability insurance coverage to lapse for even one day will pay a fine and may be subject to license plate suspension. The ALIR system will help us close the gap for uninsured motorists and hold them accountable.”

South Carolina drivers need to be aware of the penalties for driving uninsured and how to avoid lapses in insurance coverage. “The easiest way to avoid penalties is to keep your insurance coverage current,” said Mrs. Adams. “But customers should also be aware of the laws regarding liability insurance coverage. If you own the vehicle, you’re responsible for maintaining the insurance on that vehicle—no matter who drives it.”

The ALIR system, made possible through the DMV Reform Act, was implemented on March 15, 2004. Several insurance companies are now online with ALIR, and all insurance companies are required to submit information electronically by August. South Carolina law allows insurance companies six months from the implementation date to comply with electronic submission requirements.

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