

Idaho Transportation Department / Department of Insurance Drive Insured Frequently Asked Questions for Insurance Agents

What is the insurance verification law?

As of January 1, 2020, Idaho Code [49-1234](#) requires the Idaho Transportation Department (ITD) to match information from motor vehicle registration records with an insurance verification system to determine whether the owner of a motor vehicle has established financial responsibility (for example, liability insurance) for the vehicle.

Where does this information come from?

All insurance providers licensed to sell Personal Auto Insurance in Idaho are required to submit insurance coverage data for all their Idaho customers at a minimum of once a month via the online insurance verification system through the Idaho Transportation Department. This system has been available and mandatory since July 1, 2015. The new law requires ITD to take action on uninsured vehicles by suspending the vehicle registration.

Does my customer need to bring in proof of insurance when they go in to renew their registration or when they register a new vehicle?

No. ITD is able to match insurance information provided from insurance companies through the online insurance verification system with the motor vehicle registration records to determine whether owners of motor vehicles have established proof of insurance on a monthly basis.

How will ITD identify vehicles that do not have insurance coverage?

ITD receives data from Idaho-licensed insurance companies that identifies each vehicle with liability coverage. That data is compared to the state's registration data and if a VIN matches, the vehicle is deemed to be in compliance with the financial responsibility laws. If there is no VIN match and an exemption/exception form has not been received, it is assumed to be out of compliance and subject to suspension.

How will owners be affected?

As registered owners of vehicles, they are required to be in compliance with the financial responsibility laws, pursuant to sections, [49-1229](#), [49-1234](#), and [49-1428](#), Idaho Code. As long as owners maintain liability insurance on their registered vehicles and it is reported by their insurance providers, they will see no changes in any processes. However, if a registered vehicle does not have the required liability insurance reported for three consecutive months, and an exception/exemption form has not been filed, ITD will suspend that registration.

Will owners get a warning before their registration is suspended?

Yes. When registrations are identified as having no valid liability insurance for two consecutive months, ITD is required to notify the vehicle owner(s). Owners will have 30 days to provide proof of liability insurance or provide an exception/exemption form to ITD, or the registration will be suspended.

How can owners reinstate their registration once it has been suspended?

By providing both proof of financial responsibility (liability insurance) AND payment of the \$75 reinstatement fee which are required prior to registration reinstatement. Both payment and proof of liability insurance must be provided to the department by email, mail, or online. [ITD 3122](#)

Can owners be suspended more than one time during a registration period?

Yes. ITD may suspend the registration on any vehicle without the required liability insurance coverage for any three consecutive months.

If customers own multiple cars and multiple registrations are suspended, will they have to pay \$75 for each vehicle to be reinstated?

Yes. In addition to the reinstatement fee for each vehicle, owners will need to provide proof of liability insurance for each vehicle.

If the owner had insurance, will they still have to pay the registration reinstatement fee?

No. If the owner can provide proof of valid liability insurance was in place prior to the registration being suspended, ITD will waive the reinstatement fee. ITD relies upon insurance companies to report information electronically to identify vehicles that have maintained the required insurance coverage. ITD understands there could be instances that prevents an insurance company from providing this information to ITD. The department does recommend to vehicle owners that if they believe an error occurred with their insurance reporting to check with their insurance provider on the reporting and status of their insurance coverage.

Owners may ask, if my vehicle registration is suspended, do I have to surrender my license plates?

The answer is no; however, they must be cautioned that if the vehicle is operated or parked on the roadway while the registration is suspended, they may be subject to citation.

Owners may ask, what if I have moved and do not receive the notice?

The answer; your vehicle registration will be suspended if you do not respond to the notice, even if you did not receive it. You are responsible for maintaining your address with ITD, pursuant to Idaho Code.

Owners may ask, what if I do not respond to a suspension notice?

The answer; the vehicle registration will be suspended until proof of financial responsibility (liability insurance) and the reinstatement fee are submitted. If the vehicle is driven or parked on an Idaho street, road, or highway while the registration is suspended, you may be subject to citation.

Owners may ask, can I obtain a temporary operating permit if my vehicle registration is suspended?

The answer; no. The vehicle cannot legally be operated until the registration is reinstated and it meets the financial responsibility requirement.

Does this affect the registration renewal process?

Yes. A vehicle with suspended registration cannot be renewed until the suspension is cleared.

For owners who are a permanent resident in another state but recreate in Idaho and leave a vehicle which is registered in Idaho, what impact does this have on them?

If they have liability insurance from another state that covers a vehicle registered in Idaho, the insurance company might not report insurance information to the Idaho insurance verification database. The owner must

send ITD proof of insurance certification with the Exception form [ITD 3117](#) for the vehicle registered in Idaho to avoid suspension.

What is the process for owners of a business who have commercial motor vehicle coverage that covers all vehicles and employees of the business?

Vehicles registered to a business, covered under these types of policies are required to provide proof of liability insurance coverage to the department so motor vehicle registration records can be updated to reflect the appropriate coverage. If covered under this type of policy, businesses are required to submit [ITD 3117](#) and provide a copy of their policy indicating commercial coverage of all owned vehicles. The vehicle registration records will be marked to show coverage under the business policy and no further action will be needed. **Please include the business EIN on the form, if applicable to the business.**

*(*Note: This does not apply to commercially registered motor vehicles (IRP, Full Fee, etc.). These vehicles are excluded from this section of Idaho Code, and must meet insurance requirements when registering with Motor Carrier Services.)*

ITD does encourage insurance providers who have the ability to report commercial coverage by VIN# to do so during the reporting of their monthly book of business to keep records up to date for their customers.

What vehicles are excluded from this law?

The only vehicles excluded from providing proof of liability insurance are vehicles such as trailers and off-road vehicles. (Registration AND insurance exclusions include golf carts, implements of husbandry, as provided by law.)

What vehicles are exempt from this law?

Although no motor vehicles are exempt from this law, there may be situations where it does not apply:

- 1) Registered vehicles that have recently been sold, seller must complete a Release of Liability, [ITD 3858](#), and request plates be canceled unless transferred to another vehicle. License plate cancellation form [ITD 3438](#).
- 2) Owners of registered vehicles who have moved out of state and obtained new title and registration. Notify ITD to cancel current registration or complete plate cancellation form [ITD 3438](#).

Which situations qualify for an exception?

- 1) Individuals who seasonally garage their vehicles or “snowbirds” who keep their vehicle registration active, but cancel liability insurance while not operating the vehicle. This also includes vehicles that are temporarily inoperable. Affidavit of Non-Use Form [ITD 3119](#) will need to be completed and returned to ITD.
- 2) Insurance not reported to the insurance verification system (example: out-of-state issued insurance coverage)
- 3) Indemnity bond (Idaho Code [49-1229\(2\)](#))
- 4) Self-insurance (Idaho Code [49-1224](#))

Proof of any alternate liability insurance coverage must be sent to ITD with the Exception Form [ITD 3117](#). This form is available online and mailed out with an initial insurance verification request.

DEFINITIONS

Exclusions- Vehicles not required to provide proof of liability insurance include trailers and off-highway vehicles (no action required). Registration and insurance exclusions: ie. golf carts, implements of husbandry (Idaho Code [49-426](#)).

Exemptions- Vehicles covered by commercial motor vehicle coverage or a business automobile insurance policy that has been submitted to the department. Owners of vehicles who no longer own such vehicle, and who have filed proof of release of liability (Idaho Code [49-526](#)).

Exceptions- Owners who file: Self-insurance (Idaho Code [49-1224](#)), indemnity bond (Idaho Code [49-1229\(2\)](#)), proof of other automobile liability insurance (Idaho Code [41-2516](#)) [ITD 3117](#) or vehicles stored or inoperable and not used on a temporary basis, [ITD 3119](#).