INSURANCE FEDERATION OF PENNSYLVANIA

"Fixing F-Stops: An Evaluation of Alleged Lapses in Car Insurance"

October 29, 2025

Thank you for the opportunity to speak before you today. My name is Jonathan Greer, and I am the President and CEO of the Insurance Federation of Pennsylvania, a state association representing insurers in nearly every line of insurance.

I come before you today with a simple message: **The current process used to verify auto insurance for the purpose of vehicle registrations is outdated and in need of change**. I am certain each member of this committee has heard from constituents who have run afoul of this process and the challenges they encounter when attempting reinstatements when no lapse in insurance has occurred.

For the benefit of the committee, my comments will touch on three areas: the current process; the problems it creates; and our proposed solution.

1. The current process for verifying financial responsibility

Under a 1984 regulation, auto insurers are required to notify PennDOT of auto policy cancellations within the first 180 days of initial issuance. This was intended to address fraudulent behavior at the time that witnessed individuals purchasing an auto insurance policy as means to get their vehicle registered (which at the time was signified by a license plate sticker) after which the policy would be cancelled.

Forty-one years later, this process remains in effect today.

2. The problems this process creates

When notified of a cancellation within the first 180 days of initial issuance, PennDOT generates a letter to the affected motorist which states proof of alternative coverage must be provided to avoid a suspended registration. This is where the problems start.

- Assuming they receive this letter in the mail in the first place, many motorists are confused by it and don't respond. The reasons for this are many, but failure to respond sets into motion a series of problems for people who nonetheless have valid replacement coverage in place.

- In the absence of a response, PennDOT will send a subsequent letter to a motorist notifying them their vehicle's registration has been suspended. Or, as noted in the title of this hearing, a motorist is pulled over by police for a suspended registration through the use of a plate reader (i.e. an "F Stop"). In many of these cases, this comes as a surprise to the motorist who maintains they never received any communication from PennDOT.

- **Even with valid replacement coverage in place, the process of reinstatement can be difficult and time-consuming for everyone involved. That's an area of frustration since most of these motorists have not broken the law; rather they have run afoul of an antiquated process**.

3. Our proposed solution – Online Verification (OLV)

Overseen by the Insurance Industry Council on Motor Vehicle Administration (IICMVA), there are now twenty-one states (including the District of Columbia) that have adopted OLV for the purpose of verifying motor vehicle financial responsibility. These include the neighboring states of New York, Maryland, and most recently Delaware.

In effect, OLV is a searchable database accessible to PennDOT, law enforcement, and the courts that will allow real time verification of insurance coverage. Not only will this information be far more expansive than what PennDOT currently has, it will also be more accurate as it will only identify motorists with no record of coverage. This is a well-tested form of technology that has been proven to work.

Legislation to this effect has been introduced in the House as House Bill 710 by Representative Benninghoff with impending legislation expected in the Senate by Senator Rothman. We have been in consultation with PennDOT over the course of this year and look forward to partnering with it on this front in the weeks and months ahead.

Thank you again for the opportunity to speak before you today. I am happy to answer any questions.