Written Testimony of the Pennsylvania Department of Transportation
Michael B. Carroll, Secretary of Transportation

Senate Transportation Committee
Public Hearing on “Fixing F-Stops”
October 29, 2025

Chairs Ward and Flynn, and members of the Senate Transportation Committee, I am Mike Carroll, Secretary of the Pennsylvania Department of Transportation (PennDOT). Joining me today is Kara Templeton, Deputy Secretary for Driver and Vehicle Services. Thank you for the opportunity to discuss this important issue. It is our hope to find a path forward that benefits all our shared constituents.

Pennsylvania motor vehicle owners and registrants must purchase and maintain automobile insurance on their vehicles. This is called maintaining “financial responsibility.” A lapse in insurance coverage may result in the suspension of an individual’s vehicle registration. Operating a vehicle without the required insurance may result in a fine, the suspension of an individual’s operating privilege, and the forfeiture of an individual’s registration plate. Restoration fees and proof of insurance must be provided prior to having either registration or operating privileges restored. Drivers are responsible for providing proof of continuous coverage.

Under the Vehicle Code, insurers are required to report automobile insurance policy terminations to PennDOT. When vehicle insurance carriers notify the department that a registrant has canceled their insurance, PennDOT, on the next business day, will send the customer a letter requesting proof of financial responsibility. The customer has 45 days from the date of this letter to respond. If the customer provides proof that they simply changed carriers with no lapse in coverage, the case is closed, and the customer is informed. If there was a lapse in coverage for 30 days or less, and the owner/registrant can provide an affidavit that the vehicle was not driven during this lapse, the case is closed, and the customer is informed.

If the vehicle was operated during the coverage lapse or the lapse was 31 days or more, the owner/registrant has two options. The registrant may either (1) surrender their registration plate and serve a three-month suspension, or (2) pay a $500 civil penalty. Regardless of the option chosen, the owner/registrant must provide proof of current financial responsibility and pay a $119 restoration fee.

If the case has not been resolved within 45 days of the date of PennDOT’s letter requesting proof of financial responsibility, PennDOT will send an official notice of suspension. If the case is still unresolved 42 days later, PennDOT places an “F-stop” on the registrant’s record and suspends the vehicle’s registration. When law enforcement officers check registration status, the system will reflect an F-stop, indicating a suspended registration for lack of insurance.

A remedy is needed to address situations in which customers have been asked to provide proof of insurance to PennDOT when no actual lapse in coverage has occurred. A common example of this unintended consequence occurs when an individual switches from one auto insurance provider to another. The previous insurance provider will only have and report information specific to the date of coverage termination, without knowledge or reference to any new coverage. PennDOT and the Administration have had ongoing discussions with stakeholders and the General Assembly to determine a legislative solution.

Historically, there has been resistance to requiring insurance companies, rather than vehicle owners, to provide notice of new insurance coverage to PennDOT. PennDOT is pleased to appear today with our insurance industry partners to explore legislative solutions. One such solution has centered around an online verification system of automobile insurance. This system is currently deployed in many states and allows these states to regularly check the insurance status of all registered vehicles in their databases. PennDOT continues to undergo a massive system modernization and overhaul effort of its legacy systems. Any online verification system put into place would need to account for these modernization efforts and timelines.

In closing, PennDOT and the Administration support the concept of an online verification system for automobile insurance. We look forward to continued discussions and collaborations as we work towards a solution that benefits all Pennsylvanians. Thank you, again, Chairs Ward and Flynn, and members of the Senate Transportation Committee for allowing PennDOT to provide this testimony.