



Arkansas Insurance Department

LEGAL DIVISION

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MIKE HUCKABEE, GOVERNOR

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January 29, 2002

DIRECTIVE 01 -2002

TO: ALL LICENSED AGENTS; LICENSED INSURANCE COMPANIES; TRADE ASSOCIATIONS; SURPLUS LINES INSURERS; NAIC AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: USE OF NAIC NUMBER ON ALL MOTOR VEHICLE INSURANCE INFORMATION CARDS

The Insurance Verification Division of the Arkansas Department of Finance and Administration issued the following Bulletin recently:

Insurance Verification has found growing concern and frustration in vehicles not being listed as insured in the Insurance Verification and Notification Database. This is continually being brought up through contact with insurance policy holders and insurance agents. The problem may be due to reporting delays or non-correction of errors in the initial reporting. To help identify non-reported vehicles the Arkansas Revenue Department will begin capturing insurance information on vehicles not shown as insured in the Database at the time of registration renewal. This information will be forwarded to the Insurance Carrier for verification and reporting through their regular monthly reports.

In order to identify the carrier precisely we must have the company NAIC number along with the name readily available on the data card that is carried in the vehicle as proof of insurance. We are asking that your company begin supplying the NAIC number on the information card as they are renewed should it not be indicated at this time. Our contact with the insurance carrier member organizations indicated this should not be a problem due to some states already requiring this to be done.

The successful implementation of this program will allow your company to identify the vehicles needing to be included in the Insurance Verification Database as a service to your policyholders. This program will also hopefully not make it necessary for other changes such as a reduction in the error ratio on monthly reports to be implemented.

Please call Insurance Verification at 501-682-7930 or 501-682-7932 should you need further clarification on this matter. Again, we appreciate your support in the success of the Insurance Verification and Notification Network.

For the reasons set forth in the foregoing bulletin, each insurer required to issue a proof of insurance card pursuant to A.C.A. §23-89-213, shall include its National Association of Insurance Commissioner's (NAIC) identification number on the card.

Insurers are asked to provide a copy of this Directive to their appointed agents.

If you have questions concerning this bulletin, please contact Ashley Fisher, Associate Counsel, 501-371-2820, ashley.fisher@mail.state.ar.us, or William R. Lacy, Director, Property and Casualty Division, 501-371-2800, bill.lacy@mail.state.ar.us.

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