Forms Experts Program

Domain Name: Financial Responsibilty and its cancellation(SR22/SR26)

Document Control Information

Document Information

|  |  |
| --- | --- |
| Document Name | Forms Experts Output\_ Financial Responsibilty and its cancellation |
| Document Author | Anupam Shukla |
| Document Version | 1.0 |
| Date Released | 07/30/2013 |

Document Edit History

| Version | Date | Additions/Modifications | Prepared/Revised by |
| --- | --- | --- | --- |
| 1.0 | 08/22/2013 | Initial version | Anupam Shukla |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Table of Contents

[1. Functional Domain 4](#_Toc367366599)

[2. Business Justification 4](#_Toc367366600)

[3. List of forms covered under the domain 5](#_Toc367366601)

[4. Analysis of Business Requirements 5](#_Toc367366602)

[*4.1* Common Requirements 6](#_Toc367366603)

[4.2 State-specific Requirements (if any) 7](#_Toc367366604)

[4.3 Related Change Requests (if any) 7](#_Toc367366605)

[5. Key Understanding of Design requirements, (form wise) 8](#_Toc367366606)

[5.1 AASR22 Financial Responsibilty Form 8](#_Toc367366607)

[5.1.1 System/UI Impact 8](#_Toc367366608)

[5.1.2 Impacted Stories 8](#_Toc367366609)

[5.1.3 Signature Rules(if any) 8](#_Toc367366610)

[5.1.4 Applicable Triggers 9](#_Toc367366611)

[5.1.5 Key pointers to keep in mind 9](#_Toc367366612)

[5.2 AASR26 Financial Responsibility Form (Notice of cancellation or Termination) 9](#_Toc367366613)

[5.2.1 System/UI Impact 9](#_Toc367366614)

[5.2.2 Impacted Stories 9](#_Toc367366615)

[5.2.3 Signature Rules(if any) 10](#_Toc367366616)

[5.2.4 Applicable Triggers 10](#_Toc367366617)

[5.2.5 Key pointers to keep in mind 10](#_Toc367366618)

[6.References 11](#_Toc367366619)

1. Functional Domain

Financial Responsibility and its cancellation

2. Business Justification

**SR22-**

SR22 isn't a type of auto insurance, it’s simply a document that an auto insurance company files with the state to certify that an individual has an insurance policy in place that meets that state’s minimum liability coverage or financial responsibility requirements.

Following are key points with respect to SR22.

1. **Required Information**

The SR-22 form varies slightly by state, but generally, it provides the insurance company with the driver's name, address, date of birth, Social Security number and court case number. Additionally, it provides documentation of the type of coverage the driver is carrying. There are two different types of coverage. The first is operator coverage, meaning the driver is covered in any vehicle he does not own. The second is owner coverage, which covers the driver in his own vehicle. The form must include the make, model and vehicle identification number for the driver's owned car. Typically, the insurer completes the form and an authorized representative of the insurance company that is providing the SR-22 to the driver must sign it.

1. **Who Needs an SR-22**

People who have been convicted of a driving offense such as driving under the influence, a hit-and-run accident, involvement in an accident while uninsured, or getting too many moving violations in too short a time period may be required by the court or their state's Department of Motor Vehicles to carry SR-22(Not every state’s DMV require the insured to carry SR22).

1. **Once SR22 is received**

  Once an individual regain driving privileges, it’s important to keep a clean driving record. If his SR22 approved auto insurance policy is canceled, lapses or expires, the auto insurance company is required to notify the authorities in his state. At that point, his license could be suspended again or the state may take other serious actions that will limit his ability to drive.

1. **Does it cost more to have an SR22?**

  In most states, there is a fee to file an SR22 that is usually around $25, but it could be higher in a particular state. Depending on the type of certificate of financial responsibility needed, one may be required to buy higher than the minimum liability limits so the premiums for those will be higher.The rate will depend on the particular circumstances and will vary.

1. **Relocating While Having An SR22**

  What should be done if one currently has an SR22 filed in one state but is moving to another state? He will need to maintain the SR22 requirements for the state where he originally filed the SR22 form and will need to make sure that his auto insurance policy also meets the legal minimum liability requirements of his new state.

1. **What if SR22 certified insurance cancels or lapses?**

The SR22 will stay valid for as long as the insurance policy is in force and until it is no longer required to have the certificate on file. If SR22 policy cancels, lapses or expires while it is still required to carry an SR22, the insurance company is required to notify the authorities in the state. Failure to maintain the required insurance coverage could cause an individual to lose his driving privileges again and state may take other actions against him.

**SR26-**

**i.** The SR22 certificate is the way an individual’s current insurance company notifies the local DMV that he has the minimum required form of coverage. When it is no longer needed, the insurer will file a SR26 form with the DMV. Should the proof of financial responsibility still be required, the filing of the SR26 will lead to the revocation of your driving privileges in a matter of days. Following are key points with respect to SR26-

The SR26 form simply states that one no longer has a SR22 policy with that company. It can be filed for any of these reasons:

* the SR22 filing period is over;
* SR22 insurance is cancelled;
* Failure to renew SR22 insurance after the grace period is over.

**ii.** If a SR26 is filed and there is still a SR22 requirement, you will have to start all-over again with the SR22 filing if you want to be allowed to drive. Some states will even reset the filing period – in other words, if an individual had a three year filing period and policy was canceled after two and a half years, he will get another three years of SR22 when request for it is made again.

3. List of forms covered under the domain

| Form No. | Form Name |
| --- | --- |
| AASR22 | Financial Responsibility |
| AASR26 | Financial Responsibility(Notice of cancellation or Termination) |

4. Analysis of Business Requirements

## Common Requirements

*This section contains all general information about the form which is common to all the states.*

| Form No. | Form Name | Form Description and its Business Use |
| --- | --- | --- |
| AASR22 | Financial Responsibility | @Bind   * If SR22 filing is required and selected ,system generates the form * If there are more than two vehicles on the policy, additional forms will be required and generated which list the remaining vehicles. * If there are multiple pages, 1 of 2; 2 of 2; etc is printed in upper right corner above “middle” name. * If the SR22 is for a state outside of the policy state that state will show on the form. The form must reflect the state that requested the SR22. This may be different from the policy state. * Form should be available for print at point of sale. * Two copies of form (2-part carbonless )is required:   - one is sent to the state requesting the form,  - the other is sent to the company for imaging  Form goes to state where the policy renews. |
| @Amendment   * If SR22 added mid-term system generates form. * Two copies of form is required:   - one is sent to the state requesting the form,  - the other is sent to the company for imaging  If filing is terminated mid-term, the system is flagged to trigger the SR26 |
| AASR26 | Financial Responsibility(Notice of cancellation or Termination) | @ Amendment   * If SR22 filing was previously “YES” and flag is changed to “NO” system generate the SR26 form. * Two copies of form is required:   - one is sent to the state requesting the form,  - the other is sent to the company for imaging |
| @ Cancellation   * If a policy has an SR22 and policy is canceled then system generate the SR26 form. * Two copies of form is required:   - one is sent to the state requesting the form,  - the other is sent to the company for imaging |

## State-specific Requirements (if any)

*This section contains the state specific deltas of the SR22/26 form.*

An SR22 cannot be issued for the states of **DE,NY, KY,OK and PA.** However, they can be issued on a DE, NY, PA, KY, OK policy for another state that we currently write in.

When a policy is issued for the states of **DE,NY, KY,OK and PA** from a different state,that state’s name should display on the SR22 form.

## Related Change Requests (if any)

| CR No. | CR Name | CR Description and its Business Use |
| --- | --- | --- |
| CR 0386 | SR22 cannot be issued for the state of PA; however, SR22 can be issued on a PA policy for another state that AAA currently writes in. | * SR22 is not applicable for PA. But the user can request a policy from PA to obtain a SR22 from another state. * SR22 needs to be added to the Forms Page for PA * States for which SR22 is not applicable (DE, KY, NY, OK and PA) need to be removed from the Filing state dropdown list * As per the latest list SR22 is applicable for NJ state |
| CR 0361 | Remove SR22 and Courtesy Coverage Notice from Documents Page | * When a quote meets the condition for “SR22 Financial Responsibility Form” or “Courtesy Coverage Permit Driver form”, remove the display of these forms from Documents Page “Available for Printing” section. Instead they should appear on the Generate on Demand Documents page only after the policy is bound. |

5. Key Understanding of Design requirements, (form wise)

## AASR22 Financial Responsibilty Form

### System/UI Impact

| Page | Yes/No | Page Section |
| --- | --- | --- |
| Forms | | Yes | Present in “Driver forms” section | |
| Documents | | No | N/A | |
| GODD | | Yes | Present in “Policy consolidated view” | |
| Related UW Rule/Task | | No | N/A | |

### Impacted Stories

| Type | Story # |
| --- | --- |
| Form Content & Triggers | 880-249CL – Form Content & Triggers - SR-22 Financial Responsibility Form   * 880-249CL – New Business Triggers - SR-22 Financial Responsibility Form * 880-207CL - Endorsement Triggers - SR-22 Financial Responsibility Form |
| Documents Page | N/A |
| GODD Page | 880-840CL Consolidated Form Stories - Generate On Demand Document Page   * 880-840-D-#CL – Forms & Conditional Form Fields |
| Forms Page | 880-820CL Consolidated Form Stories - Forms Page   * 880-820-D-#CL – Driver Forms |
| RFI | N/A |
| Packet/Print Story | N/A |

### Signature Rules(if any)

* N/A

### Applicable Triggers

* SR22 is conditionally triggered at **New Business** and **Endorsement** (if SR22 filing is required and selected).

### Key pointers to keep in mind

* If the SR22 is for a state outside of the policy state that state will show on the form. Form must reflect the state that requested the SR22. May be different from policy state.
* SR22 should appear on the Generate on Demand Documents page only after the policy is bound

## AASR26 Financial Responsibility Form (Notice of cancellation or Termination)

### System/UI Impact

* N/A

### Impacted Stories

| Type | Story # |
| --- | --- |
| Form Content & Triggers | 880-208CL - Document - SR26 (Canc of Finl Resp) |
| Documents Page | N/A |
| GODD Page | N/A |
| Forms Page | N/A |
| RFI | N/A |
| Packet/Print Story | N/A |

### Signature Rules(if any)

* N/A

### Applicable Triggers

* @Amendment (If SR22 filing was previously “YES” and flag is changed to “NO” system generate the SR26
* @Cancellation(If a policy has an SR22 and policy is canceled then system generate an SR26)

### Key pointers to keep in mind

N/A

# 6.References

* <http://www.stopimpaireddriving.org/sr22-car-insurance-and-what-you-need-to-know-about-it/>
* <http://www.progressive.com/shop/sr-22/>

 

About Deloitte

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in 140 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's 165,000 professionals are committed to becoming the standard of excellence.

Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms. Please see <http://www.deloitte.com/us/about> for a detailed description of the legal structure of Deloitte LLP and its subsidiaries.

Internal Usage Statement

This publication is for internal distribution and use only among personnel of Deloitte Touche Tohmatsu, its member firms, and its and their affiliates. Deloitte Touche Tohmatsu, its member firms, and its and their affiliates shall not be responsible for any loss whatsoever sustained by any person who relies on this publication.

Copyright © 2013 Deloitte Development LLC. All rights reserved.

Member of Deloitte Touche Tohmatsu