

Instructions regarding Registration of PLAN Cities Vehicles:

The following letter explains and attests to the fact that each PLAN member is permissibly Self Insured under applicable vehicle code(s)/statute(s).

You will need to submit to DMV this letter with a copy of PLAN's Verification of Auto Insurance Form (see http://plan.abag.ca.gov/members/forms_instructions.html) along with Proof of Ownership (proof that vehicle is owned by the City - i.e. Title Documents)



Association of Bay Area Governments

ABAG PLAN CORPORATION

101 - 8th Street

Oakland, CA 94607-4756

MEMO

DATE: July 1, 2011
TO: CA Department of Motor Vehicles
FROM: James Hill, Risk Management Officer

RE: Vehicle Registration & Proof of Financial Responsibility

ABAG Pooled Liability Assurance Network (PLAN) is a non-profit, public benefit corporation, established in 1986 to create a self-insured Property and Casualty risk sharing pool for our 30 members. I am writing on behalf of ABAG PLAN member cities and towns regarding several difficulties encountered when registering their publicly owned vehicles.

On occasion a vehicle registration will be denied pending proof of financial responsibility. We provide our members a “verification of auto insurance” card to carry in the vehicle in case of accident. Many of them also provide it for registration. However, at times DMV staff and management will request verification from an insurance company, or, request a “Letter of Acknowledgement” that the city is self-insured.

Please consider this a formal acknowledgement that each member city identified in the attached document(s) is permissibly self insured for Property, General and Auto Liability coverage.

Based on our understanding of the applicable motor vehicle code(s), there is no requirement for proof of insurance, or a letter, or any other type of verification of financial responsibility for a vehicle owned or leased by a city or town.

All that is required for proof of financial responsibility is proof that the vehicle is owned or leased by a public entity. I have cited and highlighted the applicable code sections on the next page for reference. If you find our interpretation of the regulations contrary to your internal directives we would appreciate your response in writing. We would also appreciate any other feedback or suggestions you have for ensuring the registrations of publicly owned vehicles are processed timely and efficiently.

Please let me know if you have any questions or need further information. I look forward to your response.

Phone: (510) 464-7969

Fax: (510) 433-5569

Email: jamesh@abag.ca.gov

Web site: <http://www.abag.ca.gov/services/plan>

Mailing Address: P.O. Box 2050, Oakland, CA 94604-2050

Code Sections Applicable to Vehicle Financial Responsibility

Vehicle Code 16020: (a) All drivers and all owners of a motor vehicle shall at all times be able to establish financial responsibility pursuant to Section 16021, and shall at all times carry in the vehicle evidence of the form of financial responsibility in effect for the vehicle.

(b) **"Evidence of financial responsibility" means any of the following:**

(4) **A showing that the vehicle is owned or leased by, or under the direction of, the United States or a public entity, as defined in Section 811.2 of the Government Code.**

Government Code 811.2: **"Public entity" includes** the State, the Regents of the University of California, **a county, city,** district, public authority, public agency, **and any other political subdivision** or public corporation in the State.

Vehicle Code 16021: **Financial responsibility of the driver or owner is established if the driver or owner of the** vehicle involved in an accident ... **is:**

(c) The United States of America, this state, **any municipality or subdivision thereof,** or the lawful agent thereof.

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