

**STATE OF FLORIDA
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
BUREAU OF MOTORIST COMPLIANCE
INSTRUCTIONS FOR MOTOR VEHICLE
SELF-INSURANCE/FINANCIAL RESPONSIBILITY CERTIFICATION**

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**INSTRUCTIONS FOR MOTOR VEHICLE
SELF-INSURANCE/FINANCIAL RESPONSIBILITY CERTIFICATION
METHOD I – SELF-INSURANCE CERTIFICATE (BASED ON NET WORTH)**

The certificate of self-insurance issued by this department as per section 324.171, Florida Statutes, provides limits of liability insurance in the amount of 10/20/10 (\$10,000 of bodily injury to, or death of, one person in any one crash, \$20,000 of bodily injury to, or death of, two or more persons in any one crash, \$10,000 of injury to, or destruction of, property of others in any one crash) and personal injury protection coverage as per section 627.733(3)(b), F.S.

A. Any firm, partnership, association, corporation, other than a natural person – Filing Requirements

1. A certified copy of a financial statement audited by an independent certified public accountant (balance sheet indicating assets and liabilities) showing a net unencumbered worth for either of the two options listed below:

a. \$40,000 for the first vehicle and \$20,000 for each vehicle thereafter (no excess liability insurance required), or

b. \$40,000 net unencumbered worth for the first motor vehicle plus an additional amount of net unencumbered worth for each additional vehicle, to be formulated annually by the Department of Highway Safety and Motor Vehicles based upon actuarial data from property and casualty insurance companies. This option is available provided the applicant submits an excess liability insurance policy issued by an authorized or eligible insurer licensed or approved by the Florida Department of Financial Services in the amount of \$30,000, \$50,000, or \$100,000 combined single limits, for each covered vehicle.

A financial statement, based on the cost method, which includes depreciation and all liabilities including such liabilities as a note or other liability is collateralized by a specific asset, provide a schedule showing the cost, the amount of depreciation, and the amount of the liability for that asset. Do not include any asset not owned by the company. You may be asked to provide proof that the corporation owns the assets listed.

A schedule of the liquidation value (the amount of money which could be obtained by converting the asset in question into cash as of the date of the schedule) of all assets listed in your financial statement submitted at the time of your application for the certificate of self-insurance.

2. Provide the Federal Employer Identification Number of the certificate holder.

3. A list by make, model, year, vehicle identification and tag number of the vehicles owned by the certificate holder. This list may be submitted electronically in a spreadsheet format or on a CD. Only vehicles registered or licensed in the state of Florida can be covered.

“Ownership” is defined in section 324.021(9)(a), F.S., as “owner” – A person who holds the legal title of a motor vehicle; or, in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purpose of this chapter.

A certificate of self-insurance as per section 324.171, F.S., only covers vehicles that are owned or leased (under a lease-purchase agreement) by the name(s) listed on the certificate. Any other use of this certificate, such as extending coverage to vehicles that are not owned or leased (under a lease-purchase agreement) by the self-insurer, may subject them to penalties under the Florida Insurance Code for unauthorized insurance practices.

Any change in the ownership of the vehicles listed or addition of vehicles to be covered must be reported within 30 days of such change. A list of additional vehicles must be accompanied by an updated financial statement showing a net unencumbered worth as required by section 324.171, F.S., for all vehicles to be covered. Failure to make such report will result in the cancellation of the certificate of self-insurance.

4. A list of all officers, directors, and stockholders owning 10 percent or more of the stock of the corporation.

“Stockholder” is defined as the ownership of stock held by a single individual or the individual and his family which includes only his brothers and sisters (whether by whole or half blood), spouse, ancestors, and lineal descendants. Stockholder also includes ownership of stock in the same corporation owned, directly or indirectly, by his partner. In the case of a corporate or partnership stockholder, the stockholder is the natural person owning 10 percent or more stock of the corporate stockholder (apply the definition of stockholder above) or owning 10 percent or more of the partnership stockholder.

5. A certified copy of certificate holder’s Articles of Incorporation.

6. Proof that the corporation is in active status with the Office of the Secretary of State.

7. A certificate of self-insurance is valid for a period of one year from the effective date of the certificate.

8. Not less than 30 days prior to the expiration date of the certificate, the department shall request an audited financial statement specifying the net unencumbered worth of the self-insurance holder, an insurance update specifying excess liability insurance coverage (if applicable), and a current list of vehicles for the purpose of renewing the certificate.

B. Commercial Motor Vehicle – Filing Requirements

Commercial motor vehicle as defined in section 207.002(2), Florida Statutes.

<u>Gross Vehicle Weight</u>	<u>Minimum Liability Insurance Required Per Occurrence</u>
Category I. 26,000 – 34,999 pounds -	\$50,000
“ II. 35,000 – 43,999 pounds -	\$100,000
“ III. 44,000 pounds or more -	\$300,000
“ IV. Vehicles subject to United States Department of Transportation Insurance Regulations -	\$750,000 (Minimum Federal Levels)

If your vehicle or operations are subject to 49 CFR 387 subpart A, then you must provide us proof that you are authorized under the Federal Motor Carrier Safety Administration to self-insure (<https://www.fmcsa.dot.gov/regulations/title49/section/387.1>).

1. The owner of a commercial motor vehicle in order to qualify as a self-insured shall furnish the Department of Highway Safety and Motor Vehicles a certified copy of a financial statement audited by an independent certified public accountant (balance sheet indicating assets and liabilities) showing a net unencumbered worth of either of the options listed below:

a. If no excess liability insurance is provided:

(I) \$50,000 for the first vehicle in Category I, and \$20,000 for each vehicle thereafter.

(II) \$100,000 for the first vehicle in Category II, and \$20,000 for each vehicle thereafter.

(III) \$300,000 for the first vehicle in Category III, and \$20,000 for each vehicle thereafter.

(IV) \$750,000 for the first vehicle in Category IV, and \$20,000 for each vehicle thereafter.

b. Utilizing \$50,000, \$100,000, \$300,000, or \$750,000 (whichever is applicable to the gross vehicle weight) net unencumbered worth for the first motor vehicle plus an additional amount of net unencumbered worth for each additional vehicle, to be formulated annually by the Department of Highway Safety and Motor Vehicles based upon actuarial data from property and casualty insurance companies. This option is available provided the applicant submits an excess liability insurance policy issued by an authorized or eligible insurer licensed or approved by the Florida Department of Financial Services in the amount of \$50,000, \$100,000, \$300,000, or \$750,000 combined single limits, for each covered vehicle.

A financial statement, based on the cost method, which includes depreciation and all liabilities including such liabilities as a note or other liability is collateralized by a specific asset, provide a schedule showing the cost, the amount of depreciation, and the amount of the liability for that asset. Do not include any asset not owned by the company. You may be asked to provide proof that the corporation owns the assets listed.

A schedule of the liquidation value (the amount of money which could be obtained by converting the asset in question into cash as of the date of the schedule) of all assets listed in your financial statement submitted at the time of your application for the certificate of self-insurance.

2. Provide the Federal Employer Identification Number of the certificate holder.

3. A list by make, model, year, vehicle identification and tag number of the vehicles owned by the certificate holder by GVW class. This list may be submitted electronically in a spreadsheet format or on a CD. Only vehicles registered or licensed in the state of Florida can be covered.

“Ownership” is defined in section 324.021(9)(a), F.S., as “owner” – A person who holds the legal title of a motor vehicle; or, in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purpose of this chapter.

A certificate of self-insurance as per section 324.171, F.S., only covers vehicles that are owned or leased (under a lease-purchase agreement) by the name(s) listed on the certificate. Any other use of this certificate, such as extending coverage to vehicles that are not owned or leased (under a lease-purchase agreement) by the self-insurer, may subject them to penalties under the Florida Insurance Code for unauthorized insurance practices.

Any change in the ownership of the vehicles listed or addition of vehicles to be covered must be reported within 30 days of such change. A list of additional vehicles must be accompanied by an updated financial statement showing a net unencumbered worth as required by section 324.171, F.S., for all vehicles to be covered. Failure to make such report will result in the cancellation of the certificate of self-insurance.

4. A list of all officers, directors, and stockholders owning 10 percent or more of the stock of the corporation.

“Stockholder” is defined as the ownership of stock held by a single individual or the individual and his family which includes only his brothers and sisters (whether by whole or half blood), spouse, ancestors, and lineal descendants. Stockholder also includes ownership of stock in the same corporation owned, directly or indirectly, by his partner. In the case of a corporate or partnership stockholder, the stockholder is the natural person owning 10 percent or more stock of the corporate stockholder (apply the definition of stockholder above) or owning 10 percent or more of the partnership stockholder.

5. A certified copy of certificate holder’s Articles of Incorporation.

6. Proof that the corporation is in active status with the Office of the Secretary of State.

7. A certificate of self-insurance is valid for a period of one year from the effective date of the certificate.

8. Not less than 30 days prior to the expiration date of the certificate, the department shall request an audited financial statement specifying the net unencumbered worth of the self-insurance holder, an insurance update specifying excess liability insurance coverage (if applicable), and a current list of vehicles for the purpose of renewing the certificate.

METHOD II – FINANCIAL RESPONSIBILITY CERTIFICATE (BASED ON CERTIFICATE OF DEPOSIT)

Persons making deposits as authorized by sections 324.031(3) and 324.161, Florida Statutes, must provide the Department of Highway Safety and Motor Vehicles, Bureau of Motorist Compliance, with the following:

Any firm, partnership, association, corporation, other than a natural person – Filing Requirements

1. By depositing \$30,000 for each vehicle to be covered by the certificate, not to exceed \$120,000 for 4 or more vehicles, in cash or securities as may be legally purchased by savings banks or for trust funds, and
2. Insurance coverage must also be provided in excess of limits of \$10,000/20,000/10,000 or \$30,000 combined single limits. Such excess liability insurance shall provide minimum limits of \$125,000/250,000/50,000 or \$300,000 combined single limits for 4 for more vehicles.

Any insurance company used by a firm, partnership, association, corporation, other than a natural person, to qualify to receive a financial responsibility certificate, must be licensed with the Florida Department of Financial Services to do business in this state.

Specific Requirements

1. Certificate of deposits will be issued and held by a financial institution in the county, in which the depositor resides or has its principal place of business. Proof of such deposit must be submitted to the Department which will be held and executed upon a judgment issued against such person making the deposit, for damages of bodily injury to or death of any person or for damages because of injury to or destruction of property resulting from the use or operation of any motor vehicle occurring after such deposit is made.
2. A power of attorney, copy of which is attached, must accompany the certificate of deposit authorizing the department to accept and redeem the deposits or the depositor's security to pay claims in the amount of \$10,000/20,000/10,000 as a result of any one crash. In addition, the banking institution issuing the deposit or security must confirm in writing to the department that they fully understand that the department has the authority to redeem the deposit or security to satisfy claims as specified in Chapter 324, F.S.
3. Provide the Federal Employer Identification Number of the certificate holder.
4. A list by make, model, year, vehicle identification and tag number of the vehicles owned by the certificate holder. This list may be submitted electronically in a spreadsheet format or on a CD. Only vehicles registered or licensed in the state of Florida can be covered.

“Ownership” is defined in section 324.021(9)(a), F.S., as “owner” – A person who holds the legal title of a motor vehicle; or, in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purpose of this chapter.

A financial responsibility certificate as per section 324.031, F.S. only covers vehicles that are owned or leased (under a lease-purchase agreement) by the name listed on the certificate. Any other use of this certificate, such as extending coverage to vehicles that are not owned or leased (under a lease-purchase agreement) by the certificate holder, may subject them to penalties under the Florida Insurance Code for unauthorized insurance practices.

Any change in the ownership of the vehicles listed or addition of vehicles to be covered must be reported within 30 days of such change. Failure to make such report will result in the cancellation of the financial responsibility certificate.

A financial responsibility certificate is valid for a period of one year from the effective date of the certificate.

5. Not less than 30 days prior to the expiration date of the financial responsibility certificate, the department shall request a letter be provided from the bank indicating the certificate of deposit has been renewed, an insurance update specifying excess liability insurance coverage, and a current list of vehicles for the purpose of renewing the certificate.

6. If a financial responsibility certificate is issued and the department receives a final judgment against the depositor arising out of a motor vehicle crash, the depositor will be granted 30 calendar days in which to satisfy said judgment. If said judgment is not satisfied within 30 days, the department will exercise its right to redeem said deposit or security and disburse to the judgment creditor amounts specified in the final judgment not to exceed the amounts of \$10,000/20,000/10,000 specified in section 324.031, F.S. The certificate issued by the department will be canceled immediately after the judgment has been paid. Any moneys remaining after the satisfaction of judgment will be refunded to the depositor.

NOTE: Should you have any questions regarding these requirements, please contact the following:

Fax Number: (850) 617-3938

**Mailing Address: Bureau of Motorist Compliance
Neil Kirkman Building
2900 Apalachee Parkway
Tallahassee, Florida 32399-0585**

Attention: Self Insurance,

E-Mail Address: SelfInsurance@flhsmv.gov

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