



TECHNICAL ADVISORY

DIVISION OF MOTORIST SERVICES

DATE: 02/28/2014	Technical Advisory DE14-001
SUBJECT: Important Notice to all Licensed Dealers regarding the Penalty for Expired Garage Liability Insurance on file with the Department.	

Overview:

Section 320.27(2), Florida Statutes states in part that Motor Vehicle Dealers must submit a garage liability insurance policy or a general liability insurance policy coupled with a business automobile policy. Such policy shall be for the license period, and evidence of a new or continued policy shall be delivered to the department at the beginning of each license period.

Section 320.27(12), Florida Statutes states in part that the Department may levy and collect a civil fine in an amount not to exceed \$1,000 for each violation, against any licensee if it finds that the licensee has violated any provision of this section or has violated any other law of this state or the federal law and administrative rule set forth in paragraph (9)(a) related to dealing in motor vehicles. Any licensee shall be entitled to a hearing pursuant to chapter 120 if the licensee contests the fine levied, or about to be levied, upon him or her.

Details:

Currently, a dealer's garage/general liability insurance policy does not always coincide with the renewal period for their specific license type. To accommodate the industry, the Department allows dealers to renew their license with the understanding that the dealer will submit documentation of their renewed insurance policy during the licensing period to comply with the statutory requirement to maintain continued coverage.

The Department has taken the initiative to notify dealers 30 days prior to their expiration date to ensure that there is no lapse in coverage. We will also, continue to send two additional notices to dealers that are not in compliance prior to taking action against their dealer license. However, after the third notice we will proceed with an administrative action.

Conclusion:

Effective April 1, 2014, the Department will begin to take administrative action and fine all dealers that fail to comply with section 320.27(2) F.S., if the dealer is served an emergency suspension order for having an expired general/garage liability policy, the following fines will be imposed.

- If Dealer provides proof of insurance GLI with no lapse in service the fine is \$250 per incident.
- If Dealer provides proof of GLI that indicates a lapse in service the fine is \$500 per incident.