

OFFICIAL IIES PROGRAM INFORMATION

January 25, 2000

Official IIES Program Information

It has come to DMV's attention that an "Action Alert" has been circulated through portions of the insurance industry in an effort to organize a letter writing campaign to Governor Pataki against the IIES program. DMV is concerned that some of the IIES program information contained in the documents is misleading and incorrect. Furthermore, we request that you be wary of other memos from individuals that provide IIES information based on "their understanding" of the requirements. All official IIES program information, available to all insurance companies and insurance producers, is posted to DMV's IIES web site:

www.dmv.ny.gov/iies.htm

Please direct any and all questions about IIES to DMV's IIES Project Team:

E-mail: **dmv.sm.iiesmail@dmv.ny.gov**

Telephone: **(518) 402-2130**

Fax: **(518) 473-4347**

Background

DMV has worked with individual insurance companies and producers as well as industry trade associations on IIES since before the enabling legislation was signed into law on October 8, 1997. DMV has met with industry representatives on five (5) occasions on the composite rated fleet policy issue since February 16, 1999. DMV has designed and built a system that maintains, as required by law, "an up-to-date insured vehicle identification database to assist in identifying uninsured motor vehicles". Furthermore the law prescribes that "such database shall be implemented by the Department pursuant to standards prescribed by the Commissioner" and authorizes DMV to require information "that the Commissioner deems necessary to identify and track uninsured vehicles in this state". The law also requires that "the Commissioner shall to the maximum extent possible utilize nationally recognized electronic data information systems such as those developed by the American National Standards Institute or the American Association of Motor Vehicle Administrators". DMV adopted the ANSI standards developed by the insurance industry customized to meet the requirements of New York's program. Although the ANSI standards, developed by insurance companies on behalf of the industry, clearly make provision for non-vehicle specific fleet reporting, DMV is unable to incorporate such reporting into its vehicle-based registration system and insurance database environment.

to incorporate such reporting into its vehicle-based registration system and insurance database environment.

DMV is given authority under the law “to exempt the transfer of information on certain classifications of vehicles that are in the opinion of the Department generally insured and which it is difficult to identify uninsured vehicles within such classification, such as large commercial fleets”. The American Insurance Association (AIA) has requested that composite rated fleets be either: (1) excluded from IIES or (2) that reporting be non-vehicle specific **because insurance companies cannot identify the vehicles insured under a fleet policy.** DMV has responded that it has no means to exclude vehicles from a vehicle-based system **that cannot be identified by the insurance companies.** Furthermore, DMV does not believe that it is any more difficult to identify uninsured vehicles within any particular vehicle classification. One of many complications is that insurance policies have been written and continue to be written in names that do not coincide with registration names even though NYS law has for decades required that the name of the insured and the name of the registrant shall coincide. This is a problem that affects all types of motor vehicle insurance business, not just commercial fleets.

Clarification of Specific IIES Information

1. **Characterization of NYS law as one to deal with uninsured car driving.**
References within the law generally refer to vehicles or motor vehicles.
2. **DMV has refused to follow the clear intent of the law.** The intent of the law was not to exempt additional classifications of vehicles, not already specifically excluded by statute, but to leave any such determination to DMV. DMV has determined that an exemption for composite rated fleet vehicles is unfeasible and unworkable in a vehicle-based registration system and insurance database environment of 10 million vehicles.
3. **There are less burdensome alternatives that will meet the policy goal.** DMV has carefully reviewed and re-reviewed the AIA alternative presented in June of 1999. However, the proposal is incomplete and does not address issues of viability, functionality, utility, effectiveness or integration with the vehicle-based IIES program. A sampling of the issues not addressed by the AIA include the following:
 - How is a federal tax number (FEIN), that neither DMV nor an insurer can verify, reliably and consistently associated with a specific registration name and every vehicle registered under such name or name variation?
 - How is the FEIN linked to individuals (non-organizations) that are insured under a fleet policy ?

- How are non-vehicle specific electronic initial load transactions linked reliably and consistently to individual fleet vehicles already registered in NYS before DMV begins contacting registrants in January of 2001 with no insurer provided electronic “proof of insurance” in the insurance database?
 - How are non-vehicle specific electronic new business transactions (new policy issued) reliably linked to all specific vehicle-based DMV registration and insurance database records?
 - How are non-vehicle specific electronic new business transactions (vehicles added to an in force policy) reported to DMV and reliably and consistently linked to specific vehicle-based DMV registration and insurance database records?
 - How is non-vehicle specific reporting integrated into the vehicle-based mandatory verification process that confirms every paper insurance ID card presented to DMV in conjunction with a vehicle-based registration or insurance transaction?
 - How are non-vehicle specific electronic policy cancellations reliably and consistently linked to all vehicles formerly insured under a policy within DMV’s vehicle-based registration and insurance database environment?
 - How are non-vehicle specific electronic cancellations (vehicles deleted from an in force policy) reported to DMV and reliably and consistently linked to specific vehicle-based DMV registration and insurance database records?
4. **Plate numbers are mandated to be reported.** Vehicle’s NYS License Plate Number is currently and has always been an **optional** data segment.
 5. **Federal Employer Tax Numbers are mandated to be reported.** This data element is required so that it may be utilized for organizations, similar to but not as effectively as a NYS Driver’s License Number for individuals, in DMV’s extensive electronic matching and exceptions resolution processes referenced below. NOTE: This same FEIN data element is employed by the AIA as part of their fleet alternative.
 6. **The insureds name as shown on the policy and ID card must exactly match the DMV’s registration name.** Matching problems encountered within the fifteen (15) year old Financial Security Certification Program (FSCP) have many causes. DMV is applying its significant experience and additional data segments and data elements required by the national ANSI standard to good use in DMV’s electronic matching and exceptions resolution processes. The more complete and accurate the information provided by insurers to DMV is, the more matches that will occur. It is not DMV’s intent to diminish the importance of the long standing legal requirement

on the compatibility of insured/registrant names. However, there will be many insurer submitted transactions that will be matched even if the names do not exactly match due to the electronic matching and resolution processes built by DMV. Examples include the following:

- a married individual name is matched to a maiden individual name if there is a compatible NYS Driver's License Number and VIN *
- a misspelled individual name is matched if there is a compatible NYS Driver's License Number and VIN *
- editing differences in organization names, e.g., ABC CORPORATION is matched to A B C CORPORATION
- following initial loading, a misspelled organization name is matched if there is a compatible FEIN and VIN

*Assumes that the individual's name is the same
on both the license and registration records

NOTE: DMV is unable to match vehicle transactions with entirely different names caused by registration names not being incorporated as named insureds on a policy, names on insurance ID cards issued by or on behalf of an insurer not being incorporated as named insureds on a policy, etc.

end of document