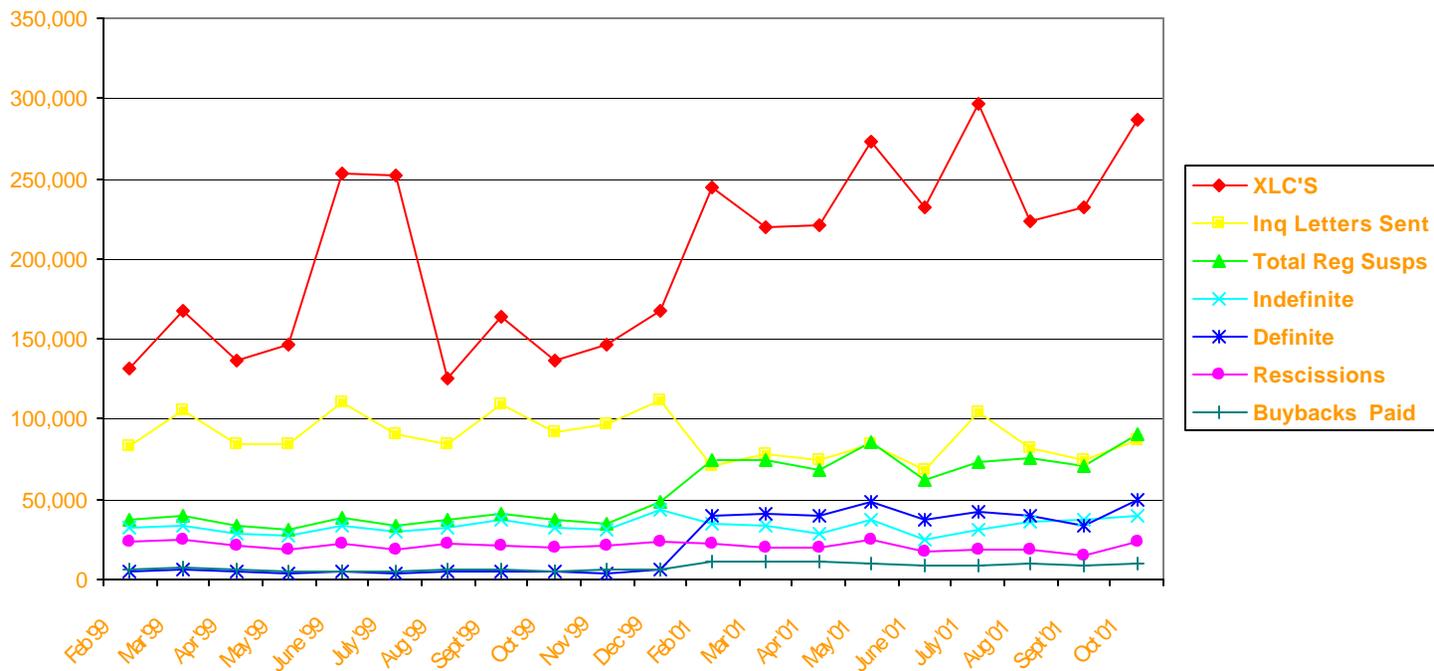


INSURANCE INFORMATION & ENFORCEMENT SYSTEM (IIES)

**Industry Training
Albany, NY
12/12/2001**

**New York State
Department of Motor Vehicles**

IIES Trends



Reiteration of DMV IIES Goals

- **Eliminate fraudulent ID cards to prevent registration without insurance, etc.**
- **Identify the maximum number of registrants with lapses of coverage and apply DMV administrative sanctions.**
- **Identify the chronic uninsured population via NIA & apply DMV administrative sanctions.**
- **Provide law enforcement with new tools to remove uninsured vehicles from NYS highways.**
- **Ability to identify producer malfeasance.**
- **Contact continuously insured registrants fully complying with the law as little as humanly possible.**

IIES 18-Month Report

EDI Transactions

(through 9/30/01)

Processed

LOD	9,885,000
On-going *	<u>11,925,000</u>
Total	21,810,000

Matched

LOD	8,685,000
On-going *	<u>9,760,000</u>
Total	18,445,000

Unmatched

LOD	1,200,000
On-going *	<u>2,165,000</u>
Total	3,365,000

* All other transaction codes

Late Filings

PERIOD	NUMBER LATE	%	NUMBER 31+ DAYS LATE	%
2001 3RD Quarter	851,303	28.83	404,882	47.56
2ND Quarter	775,971	26.15	360,363	46.44
1ST Quarter	2,604,108	20.12	979,522	37.61
2000 Annual	698,249	22.45	331,405	47.46

DMV Initiated Verification Transaction Report

July 1, 2001 - September 30, 2001

Total Number of MVF's Initiated by DMV	86,877
Total Number of Responses	26,141
NBS Responses	22,674
NIS Responses	3,467
Percentage of Responses to MVF	30.09 %

Quick IIES Matching Review

- VIN + NYSDL #/FEIN
- VIN + 3 of Name & DOB
- VIN + 3 of Name
- VIN + Vehicle's NYS License Plate #

THEN

- Exceptions Resolution Matching
(5, 3 & 1 of name and a single record
that matches a submitted VIN @ 70% or
greater)

NYS Driver's License # (individual) Federal Employer's ID # (organization)

CRITICAL DATA ELEMENTS

NYS Law (Regulations Part 32 & 34) states that these numbers shall be submitted to DMV on ID cards and EDI transactions unless the individual does not have a NYS driver's license or the organization does not have a FEIN.

It does NOT state:

- o Include number if available or handy.**
- o Use zeros if the issuer or sender does not have the number.**

ID Card

EDI Transaction

NYSDL #/FEIN

NYSDL #/FEIN

```
graph TD; A["*NYSDL #/FEIN*"] --> C["IIES Database Record"]; B["*NYSDL #/FEIN*"] --> C;
```

IIES Database Record

NYSDL #/FEIN

- **More matched transactions.**
- **More correctly matched transactions.**
- **Less unmatched transactions returned due to name discrepancies.**

Matching: Vehicle Transfer Within Family

John Smith (father) gives vehicle he currently has registered to Sarah Smith (daughter) who obtains her own insurance and registration.

- **John's company (ABC) submits a XLC with the following data elements:**

<u>NYSDL #</u>	<u>Name</u>
000000000	SMITH JOHN R
147980782	SMITH PATRICIA V (Note: Pat has no vehicles registered)
296045666	SMITH SARAH S

- **XLC posts to Sarah's new registration due to the absence of John's license #.**

Matching: Mandatory Verification

DMV PROVIDES

- Name
- Address
- NYSDL #
- Vehicle description
- Plate #
- NYS DMV tracking #

INSURER RETURNS

- The DMV provided NYSDL #
- The DMV provided name
- Plate #
- NYS DMV tracking #

**DO NOT RETURN all insured names &
NYSDL #'s on the policy**

Policy Number

- 1. DMV posts policy # to IIES records scanned from ID card.**
- 2. Policy # not used in DMV processes.**
- 3. Policy # included with virtually all MVF transactions effective 1/7/2002.**
- 4. It is critical that the # within the bar code is an actual policy #. Otherwise, it is of no value to the insurer in identifying the policy.**
- 5. Appropriate new systems/procedures may be required to ensure that an actual policy number is provided on all ID cards, even a FS-21 Temp.**

Required Data Elements

Must ALL be obtained when coverage is bound and ID cards issued.

Example of Unacceptable Business Practice:

- Small rental fleet seeks insurance for 10/1/2001 - 10/1/2002.
- Producer/company ABC binds coverage w/o obtaining any vehicle information.
- Registrant changes horses & goes to producer/company XYZ.
- Company XYZ submits 20 NBS transactions effective 11/1/2001.
- DMV issues 20 revocations for a lapse in coverage.
(10/1/2001 registration renewal date vs. 11/1/2001 NBS)
- Now **EVERYBODY'S** excited.

Part 34 Reporting Problems

Example 1 – Reporting on Policy Rewrite

<u>Transaction/Activity</u>	<u>Eff./Incid Date</u>	<u>Sub/Sent Date</u>
4 Letter	10/1/2001	10/1/2001
3 XLC (old policy)	9/15/2001	9/30/2001
2 NBS (new policy)	9/15/2001	9/20/2001
1 LOD	6/1/2000	9//1/2000

Need REC or REI effective 9/15/2001.

Note: Submission of a second NBS effective 9/15/2001 will be returned as E705 Edit Error.

Part 34 Reporting Problems

Example 2 – Cancel For Replaced Vehicle (1998 Ford)

<u>Transaction/Activity</u>	<u>Eff/Incid Date</u>	<u>Sub/Sent Date</u>
4 Def Reg Suspension	11/10/2001	10/11/2001
2 Veh Replacement	10/1/2001	10/1/2001 I/O
3 XLC	9/10/2001	10/10/2001
1 LOD	6/1/2000	9/1/2000

Need REC or REI effective 9/10/2001 for the replaced vehicle (1998 Ford)
NOT the replacement vehicle (2002 Ford).

Part 34 Reporting Problems

Example 3 – Missing Transaction

<u>Transaction/Activity</u>	<u>Eff/Incid Date</u>	<u>Sub/Sent Date</u>
7 NIV LETTER	9/25/2001	9/25/2001
8 REG SUSPENSION	9/15/2001	10/25/2001
5 RESC REG SUSPENSION	9/15/2001	9/11/2001
3 REG SUSPENSION	9/15/2001	8/16/2001
2 NBS (ICC: XYZ)	8/10/2001	8/15/2001
6 MVF (ICC: ABC)	6/1/2001	9/11/2001
4 IPA (ICC: ABC)	6/1/2001	9/10/2001
1 REGISTRATION (ICC: ABC)	6/1/2001	6/1/2001 I/O

Need NBS transaction effective 6/1/2001 from ABC

DO NOT send NBS transaction with the date of the NIV letter or the effective date of the suspension.

Part 34 Reporting Problems

Example 4 – Required Transaction With Incorrect Eff. Date

<u>Transaction/Activity</u>	<u>Eff/Incid Date</u>	<u>Sub/Sent Date</u>
5 RESC REG SUSPENSION	7/30/2001	7/15/2001
3 DEF. REG SUSPENSION	7/30/2001	7/1/2001
2 NBS (ICC: ABC)	6/20/2001	6/30/2001
7 NBS (ICC: ABC)	6/1/2001	7/25/2001
6 MVF (ICC: ABC)	6/1/2001	7/16/2001
4 IPA (ICC: ABC)	6/1/2001	7/15/2001
1 REGISTRATION (ICC: ABC)	6/1/2001	6/1/2001

Note: If NBS effective 6/1/2001 is not received, a suspension will be reissued following a NIV letter.

Part 34 Reporting Problems

Example 5 – Failure to Use REP Transaction

	<u>Transaction/Activity</u>	<u>Eff/Incid Date</u>	<u>Sub/Sent Date</u>
6	INQUIRY LETTER	9/21/2001	9/21/2001
5	XLC (GROUP 1 - COMP B)	9/1/2001	9/20/2001
4	NBS (GROUP 1 - COMP B)	9/1/2001	9/15/2001
3	XLC (GROUP 1 - COMP A)	9/1/2001	9/10/2001
2	NBS (COMP XYZ)	9/1/2001	9/5/2001
1	LOD (GROUP 1 – COMP A)	6/1/2000	9/11/2000

Group 1 - Comp B must submit: REC effective 9/1/2001 for XLC effective 9/1/2001.
REP effective 9/1/2001 for NBS effective 9/1/2001.

OR

Comp XYZ must submit: REI effective 9/1/2001.

Part 34 Reporting Problems

Example 6 – Erroneous NIS Transaction

	<u>Transaction/Activity</u>	<u>Eff/Incid Date</u>	<u>Sub/Sent Date</u>
6	LIC SUSP (NIS) INDEF	12/15/2001	12/1/2001
6	REG SUSP (NIS) INDEF	12/15/2001	12/1/2001
3	NIV LETTER	10/25/2001	10/25/2001
5	NIS (ICC: ABC)	8/20/2001	11/30/2001
4	NBS (ICC: ABC)	8/20/2001	11/14/2001
2	MVF (ICC: ABC)	8/20/2001	10/11/2001
1	REGISTRATION (ICC: ABC)	8/20/2001	8/20/2001

Industry IES Inquiry via Web

- **Pilot program due to DPPA & \$\$ issues.**
- **No cost to users initially.**
- **Permissible uses limited by DPPA.**
- **Search criteria:**
 - Document ID - VIN - Client ID (NYSDL #)**
- **Restricted return information:**
 - Sex, DOB, Client/Tax ID # & Address excluded**
- **Built-in Help.**
- **Password secured.**

Registrant Response Via Web

- **Pilot program.**
- **Provides a registrant with an alternative to:
mailing a response or visiting a DMV office.**
- **Does NOT replace EDI reporting by insurer.**
- **DMV processing is the same as for paper.**
- **Web entry triggers a MVF to insurer.**

WEB = PAPER

WEB  EDI

MVF -- NIA

- **MVF rollout completed mid-August 2001**
- **NIA Letters**
 - **IIES record with no EDI activity.**
 - **IIES record with EDI activity but the last activity is a paper insurance proof acceptable (IPA).
This means no confirming NBS received prior to MVF.**
- **Excluded from NIA**
 - **Records where vehicle was replaced.**
 - **Records with plate surrender.**
 - **Records where registration expired.**
 - **Records with any other open IIES cases.**

MVF -- NIA

NIA rollout proceeding slowly

- **Analyzing results.**
- **Establishing response rates.**

NIA Snapshot as of 11/30/2001

2,000 NIA letters (sample).

- **777 indefinite registration suspensions .**
- **648 license suspensions.**
- **6 revocations (for-hire).**
- **1,217 closed by paper insurance proof or EDI (60%).**

Note: Those cases closed by insurance paper resulted in MVF's.

MVF -- NIA

NIA snapshot (continued)

Good News

- **Suspensions/revocations are not higher.**

Bad News

- **60 % is too high a rate to be communicating with insured registrants.**
- **Where are the required LOD, NBS or REI transactions?**
- **An unknown percentage of the 783 suspensions/revocations are insured.**

MVF Example (Reporting Problem)

	<u>TRANSACTION/ACTIVITY</u>	<u>EFF/INCID DATE</u>	<u>SUB/SENT DATE</u>
11	NIV LETTER	10/20/2001	10/20/2001
10	NIV LETTER	9/5/2001	9/5/2001
12	REG SUSP DEF (REISSUED)	8/3/2001	11/21/2001
5	REG SUSP RESC	8/3/2001	7/27/2001
3	REG SUSP DEF	8/3/2001	7/4/2001
6	REI (ICC: XYZ)	7/1/2001	7/30/2001
2	NBS (ICC: XYZ)	7/1/2001	7/2/2001
9	MVF (ICC: ABC)	2/13/2001	10/6/2001
4	IPA (ICC: ABC)	2/13/2001	7/25/2001
1	REGISTRATION (ICC: ABC)	2/13/2001	2/13/2001
8	MVF (ICC: ABC)	1/29/2001	8/21/2001
7	IPA (ICC: ABC)	1/29/2001	8/20/2001

Leased & Rental Vehicles

See: IIES Web Site
General Information 11/13/2001
www.dmv.ny.gov/iies.htm

- **Defines short term lease.**
- **Excludes short term coverage obtained by lessee from being reported by lessee's insurer.**
- **Alternate proof of insurance (other than an ID card) is provided on behalf of the lessee to the lessor.**
- **All registrations in the lessor's name leased short term are processed with an ID card issued on behalf of the lessor's own insurance co.**

Bar Coded ID Cards

Very Important Dates

10/17/2001

Part 32 became law.

12/14/2001

If an insurer has not been certified by 12/14/2001, DMV cannot guarantee certification by 1/7/2002.

1/1/2002

Renewals effective 1/1/2002 & later must be provided with compliant bar coded ID cards.

1/7/2002

Bar coded ID cards required for all DMV transactions. DMV will use issuance date to enforce.

Bar Coded ID Cards Issuance Problems

- **Policy periods more than one year.**
- **Improper policy periods used.**
 - **1/1 - 1/1 for a FH rental (10/1 - 10/1 required).**
 - **1/1/2001 – 12/31/2001 (1/1/2001 – 1/1/2002 required).**
- **Improper non-vehicle specific notations used.**
- **Different policy # printed on ID card than in bar code.**
 - **e.g. , leading zeros, extra digits at front or end, different #, different format, omitting middle characters within bar code.**
- **Different effective date printed on ID card than in bar code.**

Bar Coded ID Cards

Issuance Problems Continued

- **Issuer Status Error**
 - **Issuance date in future**
 - **Issuance date before key obtained**
- **Authentication Failure (generally vendor related)**
 - **Wrong key with license number**
- **Invalid Issuer ID (absence of vendor editing)**
 - **Allowing entry of license # without any editing (allows license # without BR, PC, hyphen, etc.**
 - **PIN number being entered for license #**

Required Company Contacts

- **Ordered by NYSID via circular letter.**
- **There is some experience that the named individuals are not the right people to resolve problems.**
- **Contacts that cannot get results is noncompliance.**
- **Changes to contacts must be submitted to:**

IIES@dmv.ny.gov

Training

- **Distribute DMV training information to users.**
- **Insurer training:**
 - Central Office - Regional Office - Producers**
- **Necessary error reports so users know data elements sent to DMV as well as disposition & other registrant info returned by DMV.**
- **Internal communications.**