

Insurance Information & Enforcement System (IIES)

Bulletin Update – REP and REC Reporting Clarified

May 14, 2013

Rescind Electronic Proof (REP)

Rescind Electronic Cancellation (REC)

Purpose

REP and REC transactions are used to correct (rescind) transactions that were submitted to DMV in error. A REP or REC transaction will post to the IIES database in direct relationship to the previously posted transaction that is to be rescinded. The transaction that the REP or REC rescinds is not deleted from the IIES record. The transaction is added, mapped to the transaction being rescinded and the system changes the record accordingly. REP and REC transactions must be submitted with data elements compatible with the transactions that are to be rescinded. They must be submitted with the same effective date, NAIC code and must include other data elements as the previously matched and posted transaction that is being rescinded.

Rescission transactions are not a substitute for remediating processes and systems that result in transactions excluded by law from being submitted to DMV.

If a transaction did not match and post to an individual IIES database record, there is no transaction to rescind. Unmatched transactions that are returned to the insurer by DMV with an error (E) or unresolved (U) dispositions cannot be rescinded since they did not post to a record. These transactions and their related disposition can be viewed in the Transaction Look Up (EDITS) application.

Rescind Electronic Proof (REP) Transaction

An electronic notification that rescinds or annuls a previously submitted Initial Load (LOD), New Business (NBS) or Reinstatement (REI) transaction. A rescission transaction “takes back” a previous transaction submitted to DMV that has matched and posted (Direct Hit or Resolved Disposition) to an individual IIES database record. The REP effective date must be the same as the effective date of the LOD, NBS or REI transaction being rescinded. Upon receiving, matching and posting a REP transaction, the IIES database will no longer show the reporting company as the “insurer of record” unless there is other electronic proof submitted by that company. IIES is programmed to take various actions, depending on the situation, including backing out of any

letters or administrative sanctions that may have been taken. Registrants will be notified by DMV if letters or suspensions/revocations are rescinded or issued.

REP transactions shall be submitted by insurers for the following business events:

- LOD, NBS or REI transaction excluded from being submitted to DMV per Regulation Part 34.1(d)
- LOD, NBS or REI transaction determined by an insurer to be matched and posted to the incorrect registrant. This would generally involve transactions returned with Disposition Codes R500 and R600 (exceptions resolution matches)
 - While transactions can be moved for you by the ISID Unit, it is often more efficient for a company to resolve these transactions themselves
- NBS transaction (correct at the time of submission) and the policy was subsequently flat cancelled, i.e., insurance coverage never provided
- REI transaction that was submitted in error (coverage was not reinstated)

NOTE:

If you need to provide electronic proof of coverage for an **earlier** effective date, simply submit a NBS or REI with that date. Only a single transaction is required to resolve this routine matter. Do not submit an unnecessary REP to rescind the NBS or REI with the later effective date.

If you need to provide electronic proof of coverage for a **later** effective date, submit a REP to rescind the NBS or REI with the earlier effective date and a NBS or REI with the later effective date. Both transactions can be included in the same transmission to DMV.

Rescind Electronic Cancellation (REC) Transaction

An electronic notification that rescinds or annuls a previously submitted Cancellation (XLC) transaction. An insurer is “taking back” an XLC with a specific cancellation effective date for a vehicle registered to a particular individual or organization. The REC effective date must be the same as the cancellation effective date of the XLC transaction being rescinded. IES is programmed to take various actions, depending on the situation, including backing out of any letters or administrative sanctions that may have been taken. Registrants will be notified by DMV if letters or suspensions/revocations are rescinded or issued.

REC notices shall be submitted by insurers for the following business events:

- An XLC excluded by law (non-liability, administrative, etc.) from being submitted to DMV
- An XLC submitted for a replaced vehicle (policy not cancelled) that resulted in a letter or suspension/revocation
- An XLC that is superseded by a second XLC with an earlier effective date (a backdated cancellation)
- An XLC that is superseded by a second XLC with a later effective date

- An XLC transaction determined by an insurer to be matched and posted to the incorrect registrant. This would generally involve transactions returned with Disposition Codes R500 and R600 (exceptions resolution matches).

NOTE: A REC transaction must not be used as a substitute for an REI transaction. If coverage is actually reinstated following submission of a valid XLC, a REI transaction must be submitted to DMV.

Transaction Examples

- A policy is cancelled for non-payment of premium either mid-term or at renewal. The policyholder/registrator subsequently provides the insurer with proof of superseding coverage to enable backdating of the cancellation.

Original transaction:

XLC effective 02/15/2011

Required transactions:

REC effective 02/15/2011

XLC effective 01/05/2011 (backdated cancellation effective date)

- A NBS transaction is posts to a vehicle record. A cancellation is subsequently backdated to the NBS effective date. A XLC transaction submitted with the same effective date as the NBS will be returned to the insurer as an E689 error.

Original transaction:

NBS effective 03/01/2011

Required transaction:

REP effective 03/01/2011

- A XLC posts to a vehicle record and coverage has not been reinstated with a REI transaction. A XLC with a later effective date is sent. This XLC transaction will be returned to the insurer as error E691. The insurer must review the policy to determine the correct XLC effective date.

Scenario A

Original transaction:

XLC effective 4/14/2012

This is the correct effective date

Required transaction:

None

Scenario B

Original transaction:

XLC effective 4/14/2012

This date is incorrect

Required transactions:

REC effective 04/14/2012

XLC with correct effective date

- A REI transaction has posted to a vehicle record. A cancellation is subsequently backdated to the REI effective date. A XLC transaction submitted with the same effective date as the REI will be returned to the insurer as an E692 error.

Original transaction:

REI effective 03/01/2011

Required transaction:

REP effective 03/01/2011

Effective Date Segment & Miscellaneous

The DTM Effective Date segment with a qualifier code of 007 must be used for the REP transaction as well as for the existing LOD, NBS, REI and NIS transactions.

The DTM Termination Effective Date segment with a qualifier code of 036 is used for XLC and REC transactions.

All other mandatory segments and elements must be present in REP and REC transactions.

The NAIC code submitted with a REP or REC transaction must be the same as the one submitted with the transaction to be rescinded.

SI Additional Transaction Purpose (Optional)

S102 Service Characteristics Qualifier

15 Rescind Electronic Proof Code

16 Rescind Electronic Cancellation Code

00 Returned if invalid transaction type submitted (DMV use only)

Edit Error Codes and Decodes

E689 – XLC has same effective date as NBS on file

E691 – XLC with different effective date, no REI. Check XLC effective date

E692 – XLC has same effective date as REI on file

E800 - A REC transaction did not find a matching XLC

E810 - A REP transaction did not find a matching LOD, NBS or REI

E820 - Interchange has an XLC & REC, same eff. date, vehicle & name

E830 - Interchange has a REP & NBS, same eff. date, vehicle & name

E840 - Interchange has a REP & REI, same eff. date, vehicle & name

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