

## Transaction Overlap

NYS DMV and IICMVA have been exploring solutions to IIES business rules which, in certain situations allow one company's cancellation transaction to override the new business transaction of another. DMV has identified three situations that consistently cause letters or suspension notices to be sent to registrants; multiple cancellations with no intermediate reinstatements, flat cancellations and transactions representing a policy re-write. DMV has made modifications to the IIES EDI transaction business rules that will address these situations. DMV will return to the insurer certain types of cancellation (XLC) transactions. The modifications will address the following exclusions listed in Commissioner Regulation Part 34:

- transactions for non-liability related administrative and incidental activities for policy changes unrelated to Commissioner Regulation Part 34 including:
  - amending the vehicle, name, address, driver or other descriptive information
  - changing the policy number
  - changing coverage limits
  - amending non-liability coverage, e.g., collision and comprehensive,
  - reactivating canceled policies to make premium adjustments, etc.
- new business and cancellation transactions for premium quotes if a liability insurance policy was never accepted by the customer or the policy was cancelled flat
- cancellation and new business transactions that represent steps in an administrative re-write or re-issuance of a policy when there is no lapse in liability coverage;
- reinstatement, unless a cancellation was previously submitted to DMV;

Effective January 8, 2008, NYS DMV will return to the insurer certain cancellation (XLC) transactions with new error/disposition codes. In some instances, the insurer will be required to send either a rescind electronic cancellation (REC) or a rescind electronic proof (REP) transaction for a transaction (XLC, NBS or REI) that was previously submitted and posted to an IIES record. The new codes are:

### **E689 - XLC HAS SAME EFFECTIVE DATE AS NBS ON FILE, SEND REP**

A XLC submitted with the same NAIC/ICC code and effective date as a NBS that exists on a record will be returned with code E689. The insurer must send a REP transaction for the posted NBS. If a REP is not sent, the carrier will remain as current insurer as of the NBS effective date. DMV suggests that insurers program their systems to send a REP instead of a XLC when a policy is cancelled "flat".

### **E690 - 2 NBS ON FILE; XLC HAS SAME EFF DATE AS 2<sup>ND</sup> NBS**

This will address non-liability transactions submitted by an insurer. For example; a NBS for policy A is on the record. The insurer issues policy B and cancels policy A with no lapse in coverage. DMV will return the XLC submitted with the same NAIC/ICC code and effective date as the NBS that exists on the record. The insurer must send a REP for the posted NBS.

**E691 - XLC WITH DIFF EFF DATE, NO REI. CHECK XLC EFF DATE**

A XLC submitted with the same NAIC/ICC but different effective date as one that exists on a record and if there is no intermediate insurance proof with the same NAIC/ICC on the record will be returned with code E691. The insurer must review the policy to determine the correct XLC effective date. If the XLC that is on the record is incorrect, a REC must be sent for that effective date and a XLC with the correct effective date must be sent. If the XLC on the record is correct, no further transactions are needed.

**E692 - XLC HAS SAME EFFECTIVE DATE AS REI ON FILE, SEND REP**

A XLC submitted with the same NAIC/ICC code and effective date as a REI that posted to the record will be returned with code E692. The insurer must send a REP for the posted REI. If a REP is not sent, the carrier will remain as current insurer as of the REI effective date.

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