



## **Minutes of Nevada LIVE IICMVA Task Force Meeting**

Held on December 4, 2008  
Director's Conference Room

**PRESENT:** Cathy Vollmer – Farmers Insurance Group, Loren McGlade – AIG & IICMVA Chairman, Kathleen Maguire – State Farm Insurance, Gena Miller – Progressive Insurance, Douglas Traeger – USAA, George Cooper – State Farm Insurance, Sam Sorich – PCI, Alex Hageli – PCI, Martha Barnes – DMV – CSD, Sondra Baker – DMV-MVIT, Mani- Karuppuswamy Manivannan – DMV-MVIT, Doreen Rigsby – DMV-CSD-IVP, Tom Joseph – DMV-MVIT, Ron Swenson – DMV-MVIT, Allison Wall – DMV-CSD-IVP, Terri Carter – DMV-R&D, Bernadette Nieto-Markussen – DMV-R&D, Bill Bernard – MVIT

**CONFERENCE CALL PARTICIPANTS:** Lori Alberti – DMV, Mary Ann – Travelers Insurance, Janice – Travelers Insurance, Chad – State Farm Insurance, Chris – Progressive Insurance, Dino – Allstate Insurance

Sondra Baker & Mani gave an overview of the current and proposed Insurance Verification Programs.

### **Overview**

- Nevada has about 2.3 million active registrations.
- Of the 2.3 million registrations, we have 2 million records that have insurance on file with DMV.
- Our estimates indicate that 80% of the 2 million insurance records are associated with insurance companies that already have web services.

Current Process: See flow chart (attached)

Proposed Insurance Verification: See flow chart (attached)

### **CENTRAL SERVICES**

- 1. What is the average time the insurance policy information (new, termination, etc.) takes to be processed and made available to the DMV from the web service?**
  - Direct Writers – over night/or within a few days
  - Independent Agents - industry wide, on average, 23 days.
  - Best case scenario 80% within 10 days. Worst case scenario 20% within 60 days.
  - On line insurance purchases are usually next day.
  - Assigned Risk – 60 days.
- 2. How are binders verified?**
  - Binder number is a temporary number. Some insurance companies do not use binder numbers. We should use the policy number.
- 3. How are temporary policies confirmed?**
  - The policy number can change when the policy is issued so the temporary cannot be confirmed.
- 4. Can we query for insurance coverage using a VIN and name if no policy number is provided?**

- Varies by insurance company. Each insurance company has its own model as to what they will confirm or not confirm. If we query by a VIN the insurance companies system is not designed to send back a policy number when sending a confirmed or not confirmed. Some states have built a table so they know which insurance companies can or cannot take VIN only. The IICMVA model is not built to return on name.
- 5. **How often do you recommend that we query for individuals that have allowed their insurance to lapse or have never carried insurance?**
  - Thirty to sixty days or event driven. Volume of queries can be an issue with the insurance company.
- 6. **How often do you recommend that we query for individuals that have a history of maintaining insurance?**
  - Thirty to sixty days or event driven. Volume of queries can be an issue with the insurance company.
- 7. **On average, how often are individuals with SR22's and financial responsibility queried?**
  - SR22's are for drivers, not vehicles. Insurance companies cannot tell us if the customer has a SR22. The SR22 task force is run through AAMVA.
- 8. **Are there any other policy types of insured or non-insured that we should query?**
  - No response
- 9. **Nevada verifies evidence of liability insurance for all accidents. Will we have the ability to query records for past dates?**
  - Yes
- 10. **How long is history retained on the web service?**
  - Usually 6 months to a year. Two years for commercial policies. Depends on length of policy.
- 11. **Will we have the ability to query insurance records based on the driver's license number and Policy number for SR22 and SR26 requirements?**
  - No
- 12. **If not, how are SR22 and SR26 policies verified?**
  - Use current procedures
- 13. **How can we verify if the insurance policy is a Nevada policy?**
  - Insurance companies need to know if we want to check just Nevada policies. The IICMVA model is built to query on one NAIC code.
- 14. **How can we confirm policy effective dates and expiration dates provided to the DMV by the customer? How far back can we query the records? (6 months, 9 months, one year, etc.)**
  - Depends on the insurance company and state requirements.
- 15. **Can we verify out-of-state coverage and determine which state the policy was written for?**
  - No
- 16. **If NAIC 1234 has provided web services to another state, does that mean that Nevada can query the same NAIC for Nevada policies?**
  - Varies with insurance company. It was suggested to look at Wyoming's user guide form.

## RESEARCH & DEVELOPMENT

17. **Based on your knowledge, do other States have a grace period for individuals to obtain insurance on a vehicle? Nevada currently allows seven days.**
- No
18. **Based on your knowledge, at what point are states determining the vehicle is uninsured?**
- Thirty, forty-five, or sixty days.
19. **When are penalties applied?**
- Our decision.
20. **Based on your experience, how are participating states handling disputes (i.e., customer is penalized because a VIN did not match and insurance is confirmed when the VIN is corrected)?**
- The insurance company sends the customer a letter notifying them that their state is not confirming their information. Some States are using a near match.
21. **How will the records be updated? What information will the underwriter provide? On average, how long does it take to get the corrected information?**
- Varies by insurance company.
22. **What additional information can be confirmed by the insurance company?**
- Need to contact each insurance company.
23. **Based on your knowledge, do other states require 2D barcodes on the insurance card? If yes, what information is included in the barcode? Which states require 2D barcodes?**
- New York
  - Name/Company Name
  - NAIC
  - Policy Number
  - Vehicle Information
  - Effective date of coverage
  - Expiration date

## MOTOR VEHICLE INFORMATION TECHNOLOGY

24. **How can the insurance companies help in the initial scrub of insurance information from Nevada's DMV registration records?**
- Reload of data. Work with the insurance companies.
25. **How can we verify insurance with just a VIN instead of a VIN and/or a policy number?**
- Check with each insurance company
26. **Is there a means available to check whether a vehicle is covered using a VIN by querying a single place or source instead of going to multiple insurance company web services?**
- There are databases that some insurance companies participate in. Need authority to access. (Choice Point)
27. **If a new policy starts on a future date (customer at end of year 2008 buys a policy for 2009) can the information be verified on the web service in 2008 for 2009?**
- No, policy is not a legal contract until effective date.

- 28. Will liability insurance verification, based on VIN and policy number, be provided for fleets? If not, how are fleet policies verified?**
- Policy covers all vehicles in a fleet. Most carriers will ignore the VIN. Suggest having a meeting inviting commercial carriers only.
- 29. Will liability insurance verification, based on VIN and policy number, be provided for operator policies? If not, how are operator policies verified?**
- Task force is not aware of operator policies. Pull statistics of operator policies.
- 30. How is liability insurance verification provided for commercial policies?**
- Schedule meeting with carriers that provide commercial policies.
- 31. What processes have other states used to clean up their current records? What are the insurance companies recommending to clean up insurance records?**
- Reload of data. Work with the insurance companies.
- 32. What is your recommendation for testing the new web service insurance verification?**
- Follow our four steps and go one-step further recommending a pilot program with insurance companies.
  - Volume to expect and notification of our progress.
- 33. Please provide any additional information that may be helpful to Nevada.**
- Query of habitual offenders.
  - Notify high risk pools of potential impact – check with Elena on this.
  - Suggest querying for insurance in 30 days and again in 30 days.
  - Termination of policy. Example: A vehicle could be sold and that customer has not cancelled the insurance on that vehicle and the new owner has not obtained insurance or registered. If we query on VIN it could show that vehicle still has coverage, so it looks like it is insured, but really it is not because that person does not own it anymore.
  - Wyoming has a user form on their web site we can use as an example.
  - Commercial vehicles (Motor Carrier) will be discussed at a separate meeting.
  - Suggested to require a code in order to get into the web site for security purposes.
  - Policy numbers are alphanumeric. Dashes, commas etc. are ignored.

Gena Miller – Progressive Insurance presented the following questions:

Can we notify the insurance companies of our scheduled down times? We have scheduled down times for maintenance and will let Progressive know of the times. If there are unscheduled down times, either by Progressive or by the State of Nevada, we need to inform each other.

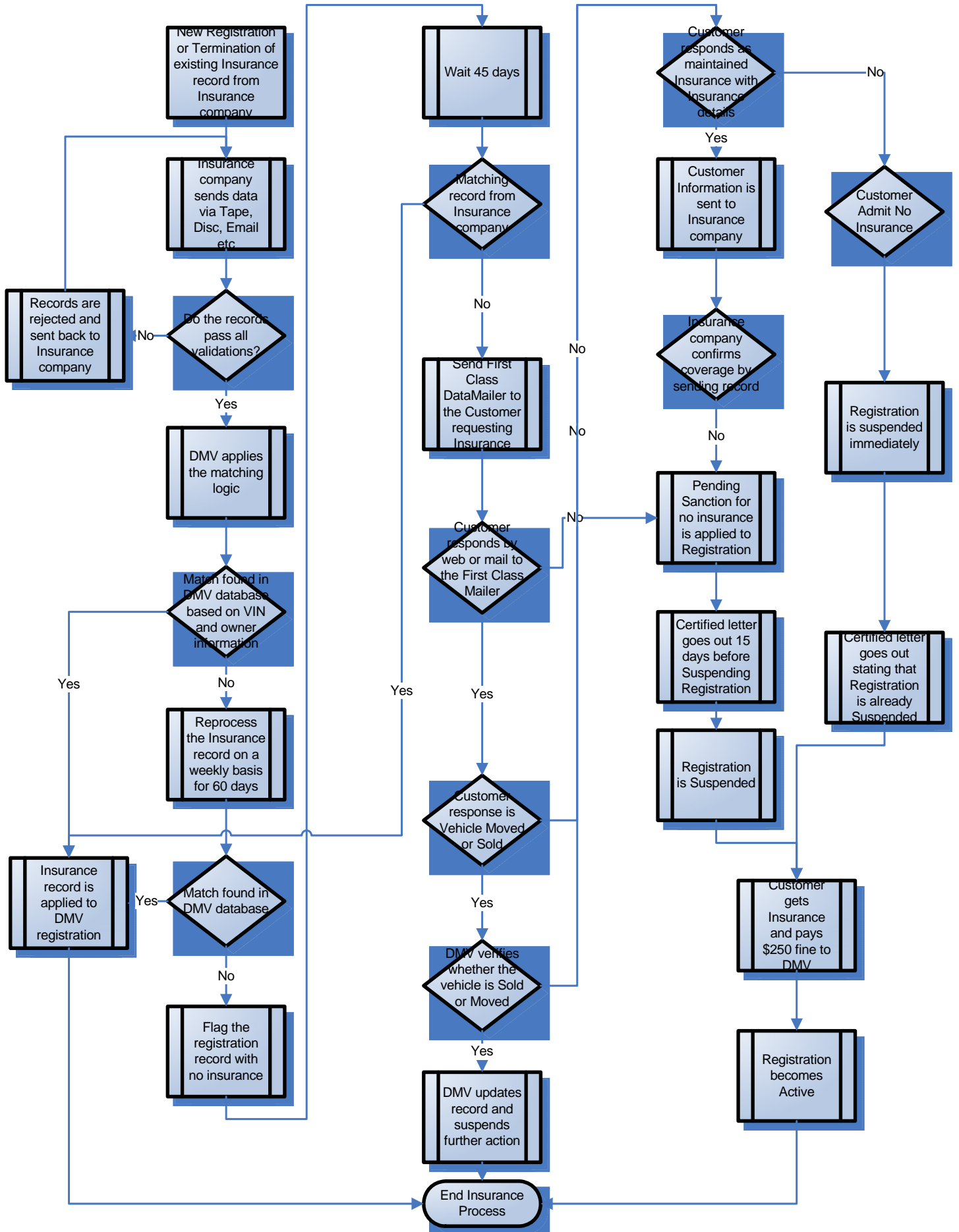
The maintenance contract for the tapes that are sent for insurance verification will expire the end of 2009. If the insurance companies pilot with us they would like to discontinue sending the disk as soon as we get our program up and running. Mani stated he will get back to them on this subject.

Gena Miller stated that a new law went into effect October 1, 2008 where the insurance companies can no longer send driver's license numbers and social security numbers to the State if the information is not encrypted. Progressive's legal department no longer wants to send the data. Loren McGlade also verified this. Bill Bernard will research this further and work with the insurance company's legal department.

**Adjournment: 4:30**

Recording: G drive\Research & Development\Vehicle Programs\Nevada-LIVE\Agendas and minutes\Recording 12\_04\_08 Task Force MeetingDS400324

# Current Insurance Process overview



# New Insurance Process overview

