1) **Is there a way to make the eFR19 Program accessible to insurers without having to secure a license?**

At this time it is a requirement to have a Maryland Producer's License in order to qualify for the eFR-19 system. After listening to the concerns of the industry however, we realize this requirement needs to be addressed before we move forward with the elimination of paper verifications.

2) **Regarding the verification file that is sent from the MVA, the increase in volume due to the inclusion of renewals presents a concern. Can the file be sent more often rather than the current once a month?**

We anticipate the increase in records will be moderate. The new verification records will be proportional to approximately 1/24th of our actively registered vehicle base. This list will then be further reduced by filtering out self-insured, trailers, some fleet vehicles, and other miscellaneous exceptions. Once that's completed, an increase of 10-20% is a reasonable prediction, depending on carrier of course. Keep in mind, the record is only sent to the insurance company on file, not broadcast to the entire insurance industry.

Since the renewal verification process is just starting, they will be included with the normal monthly verifications for the time being. Based on industry input however, we are considering splitting and sending the file twice a month in order to reduce the workload. One option is to send the standard inquiries at the beginning of every month and the renewals in the middle of the month.

3) **How is the insurance card legislation related to insurance verification (FR-19)?**

There is no connection between the insurance card legislation and our verification program. Having an electronic insurance card has simply been approved as acceptable to law enforcement, but is not acceptable or used to verify insurance with the MVA for the purpose of closing or assessing insurance compliance cases.

4) **How should updates to policies be reported?**

When reporting a change to an existing policy, it is not necessary to submit a cancellation first. Simply send us a new business record with the changed information and we will update our system accordingly.

We currently do not require renewals to be reported, however in an effort to keep our data updated, we ask that every time a policy renews, simply send us a new business record with the new term.

5) **What about Maryland insurance and out-of-state vehicles?**

When an insured moves out-of-state and remains insured with the same company, just under a different state policy, we would expect a cancellation for the Maryland policy. Many times, we receive a cancellation with reason code "OTH" (Other). This can create a problem, as we are waiting for an appropriate new business for the insured. When we do not receive a new business, or other related event such as a tag return, a case is created. If the cancellation was reported as a "XFR" (Transfer), we would know to look specifically for out-of-state titling information instead of an in-state new business record.

6)   How does a policy number mismatch occur?

When registering a vehicle, the owner self-certifies the insurance/policy information on the MVA title application form. The information provided could have been incorrect or keyed incorrectly by the customer agent thereby causing a mismatch in the newly titled vehicle verification record. This is the main reason we ask that when processing inquiries, other fields rather than the policy number should be used as a basis for your search. If the vehicle is indeed insured, you may change the policy number on the inquiry record and we will update our database accordingly.

As a related note, if we receive a new business record for a newly titled vehicle, that record is considered the more accurate data and an inquiry will *not* be generated for that particular vehicle.

7)   What is the value of the expiration date in a new business record?

The expiration date simply shows the term of the policy. We do not cancel insurance based on the expiration date present in a new business record. At this time we ask that renewals be reported as a new business. This may change in the future.

8)   Can you explain a flat cancellation?

A flat cancellation occurs when the effective and termination dates on a cancellation record are equal. It is far more difficult to match these records to the appropriate new business record, causing some logical difficulties in our system. If possible, we ask that they be avoided. The cancellation effective date should reflect the start of the current term, and the termination date should be the last day of coverage.

There was some confusion on our part as well; we didn't know how common flat cancellations are in in the insurance industry. In the future, we hope to incorporate some new logic rules to handle equal dates.

9)   Can responses for the verification file requests be sent to the MVA on a daily basis?

Yes, inquiries may be broken down and returned a few records at a time. In fact, many carriers already do this. As long as the MVA tracking code at the end of the record is maintained, this will not cause a problem.

10) What happens when the MVA receives a cancellation? What is the significance of the cancellation reason codes, especially "OTH" (Other)?

When we receive a cancellation, we check the cancellation reason code to determine what kind of record we are receiving. Unfortunately, the vast majority of records we receive contain the "OTH" (Other) reason code. This causes a problem because the code of "OTH" is too vague; the default behavior for these types of cancellations is to look for a corresponding new business record or another event, such as a tag return or registration cancellation. When these events do not occur, a case is created.

We have specific logic pathways in our system designed to handle specific reason codes. If a vehicle is sold to a dealership, we would expect the "SLD" code to be present on the cancellation so that we know to look for trade-in information. Also, if a vehicle was registered out of state, but kept the same

insurance carrier, we would expect to see a "XFR" code to be present so that we know to look for out-of-state titling information. Using the appropriate codes allows us to improve the match process, reducing cases for customers.

11) Can you explain the daily reporting and error return process?

When a record is submitted to us via daily reporting, we primarily use the VIN and Soundex fields to match a vehicle in our database. Formatting errors are rejected and returned to the carrier the following business day. Records that pass the formatting requirements, but cannot be matched on either of the two preceding fields, undergo manual review. During review, if the record is incorrect, it is rejected and returned the following business day. If the information in the record cannot be located in our mainframe, we have the option of "pending" the record for 90 days to allow the titling information to update in our system. At the conclusion of those 90 days, the record is reviewed again to determine if the information in the record matches the information in our system. At this point the record is either accepted or rejected and returned to you.

12) Insurance companies do not keep VINs for fleet (non-specific) policies. How do we report this?

Currently, MVA expects VIN-specific policy information in order to match the policy information to vehicles on our database. When a non-specific fleet policy is submitted, it has to undergo manual review in order to place the appropriate vehicles with the submitted policy. We hope to improve this process in the future, but as it stands now, it continues to be a manual process.