

MVA – Insurance Industry Informational Meeting

Wednesday, April 13th 2016



Introduction

- MVA Administrator – Christine Nizer



Insurance Compliance Division Personnel

- Jeff Seidel – Manager
- Marti Snyder – Assistant Manager
- Mike Snowden – Functional Analyst
- Marva Salmi – Administrative Assistant
- Janet Owens – Administrative Assistant

Questions can be submitted to:

mvainsurancerelations@mdot.state.md.us



Agenda

- * Introduction
- * Renewal Verification
- * Timeliness of Verification Returns
- * eFR-19 System
- * Daily Reporting Guidelines
- * Legislative Update
- * Questions & Answers

Renewal Verification

- Reason for Implementation
- Implementation Specifics

Renewal Verification Information

- * MVA is implementing a Renewal Verification process.
- * This process will allow us to verify coverage on vehicles eligible for registration renewal.

Reasons for Implementation

- * Through this new verification process, the MVA wishes to accomplish the following:
 - * Prevent uninsured vehicles from being renewed.
 - * Improve data integrity for registered vehicles.
 - * Assist in quantifying our uninsured rate.

Implementation Specifics

- * Three months prior to the tags expiration date, a list of eligible vehicles will be provided to Insurance Compliance.
- * These vehicles will be placed into the standard monthly inquiry file and distributed to the current company on record.
- * Renewal verification records shall be processed the same as the inquiry records already distributed monthly.

Implementation Specifics

- * Positive responses (Acknowledgement - ACK) will be transparent to the customer; they will be able to renew their vehicle normally.
- * Negative responses (Not Insured - NIS) will create an insurance case immediately and prevent the customer from renewing.
- * Late responses will be treated as a “NIS” response, resulting in case creation!

Implementation Specifics

- * Customers for whom a case is created will receive a notice instructing them to contact their insurance company, not the MVA, in order to provide proof of coverage for the dates specified on the notice.

Implementation Specifics

Sample Case Notification

Insurance Verification Required / Suspension Warning

Owner's ID Number
S123456789

Co_Owner's ID number

JOHN D EXAMPLE
123 MAIN STREET
ANYWHERE, USA 11111

Refer to Case Number	07213587	
Insurance Company INSURANCE COMPANY	Insurance Verification Date 1/17/2016	
Vehicle Identification No. 1GN57381357135757	Title No. 12345678	
Tag Exp Date 12/31/2016	Tag No. ABC123	Year & Make 2011 FORD
Vehicle Identification No.	Title No.	
Tag Exp Date	Tag No.	Year & Make
Vehicle Identification No.	Title No.	
Tag Exp Date	Tag No.	Year & Make

Date: 3/30/2016

Proof of Vehicle Insurance Required

Timeliness of Verification Returns

- Expectations for Timely Returns
- Consequences of Late or Incorrect Returns

Expectations for Timely Returns

- * Inquiries are distributed to insurance companies approximately the 15th of every month.
- * Currently, these inquiries contain newly titled vehicles, point system cases, and management requested verifications.
- * As previously discussed, renewal inquiries will soon be included.

Expectations for Timely Returns

- * Responses to these inquiries are expected in 15 days or sooner.
- * The deadline date is always explicitly stated in the monthly email sent by MVA after the file transfer has completed.
- * Please contact us if you are not on that distribution list or want to make a change!
- * mvainsurancerelations@mdot.state.md.us

Consequences for Late or Incorrect Returns

- * Records with formatting errors will be rejected and considered “not received” for the purposes of reporting and case creation.
- * Failure to respond in the allotted time will cause a case to be created for every vehicle lacking a response!

Consequences for Late or Incorrect Returns

- * When processing inquiries, we ask that you consider other fields in the record, rather than the policy number, as a basis for your search.
- * Sometimes, a policy number on our system may not exactly match the policy number on yours.
- * Checking the VIN instead may reduce the number of “Not Insured” (NIS) responses.
- * You may also correct the policy number with your return response; we will update our system accordingly.

Consequences for Late or Incorrect Returns

- * MVA uses a special code at the end of each record that can not be modified; any change to that code will result in record rejection and subsequent insurance case for your customer.

Guidelines from ACIS Manual

Control Number 1	M	AN	2	REF01 (T2/L5)	Reference qualifier ('CN') MVA Internal Use Only. The value should be retained, not modified, and returned when the record is resent.
	M	AN	10	REF02 (T2/L5)	

eFR-19 System

- Requirements for Use
- Plans to Phase-out Paper

eFR-19 System



Welcome to the Maryland Motor Vehicle Administration
COMMITTED TO SAFETY, SERVICE, AND YOU

[Home](#) | [Email Us](#) | [Phone Numbers](#) | [eFR-19 Hours](#)

Maryland Licensed Insurance Agent Login

Agent Login:

Password:

If you have not registered with the Motor Vehicle Administration's Insurance Compliance Division to use this system, please contact the MVA ACIS Help Desk at 410-768-7486 or 410-768-7431 and ask to be transferred to the ACIS Help Desk for assistance or [download the registration form](#) and submit to the Insurance Compliance Division, eFR-19 Registration, 6601 Ritchie Highway, NE, Glen Burnie, MD 21062

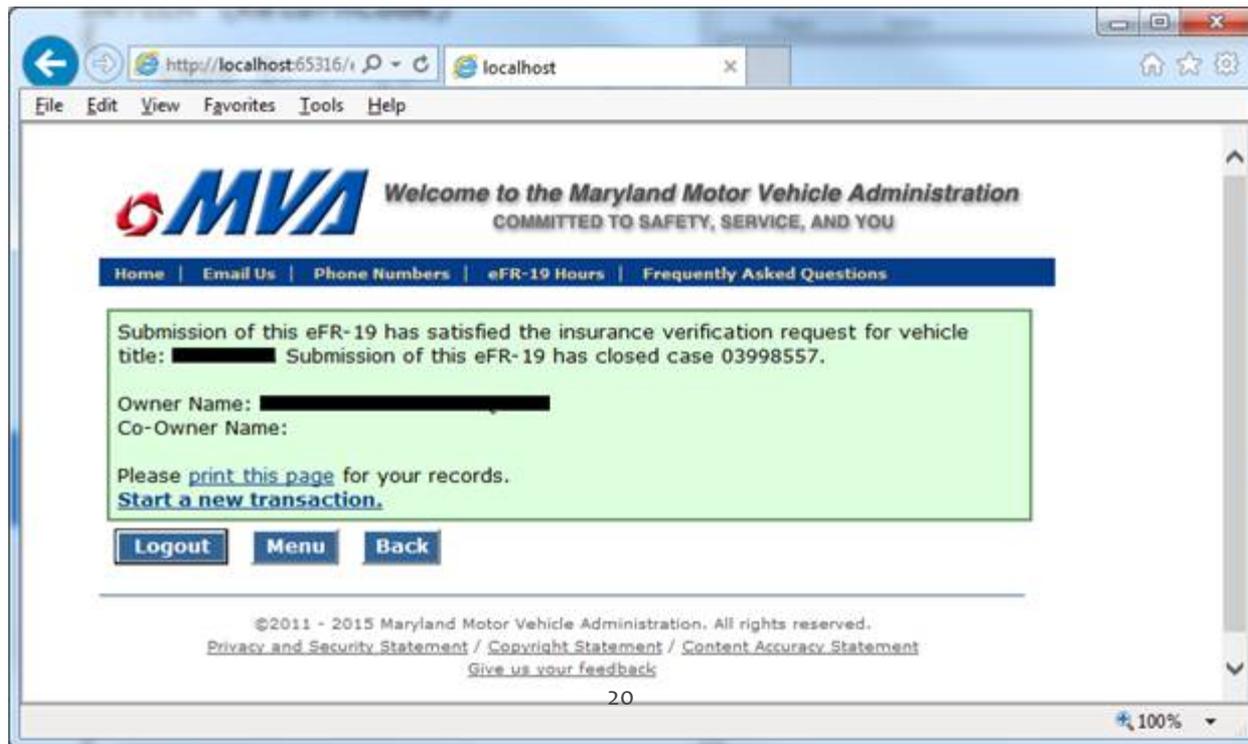
Unauthorized Access to this computer network system is in violation of Article 27, Sections 45a and 146 of the Annotated Code of Maryland. This system is being monitored. Anyone using this system expressly consents to such monitoring. Detection of unlawful conduct may be referred to law enforcement officials.

Login

- * The eFR-19 System is the preferred way to provide verification of insurance for all customers with an Insurance Compliance case.

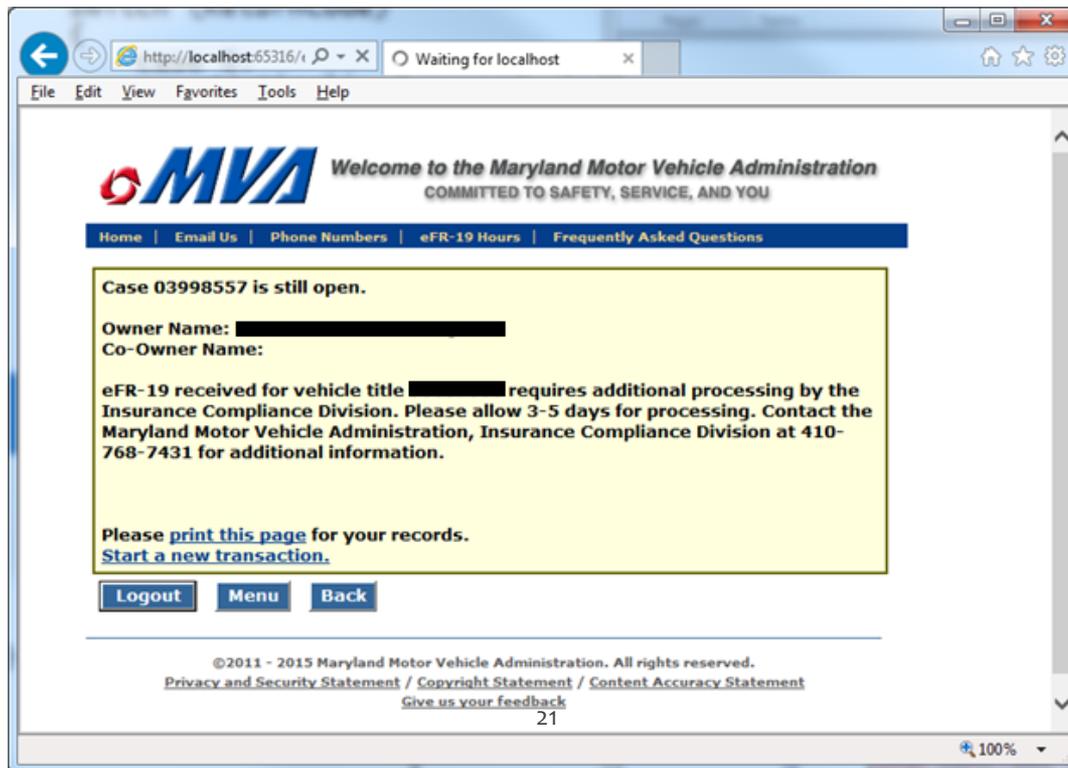
eFR-19 System

Most cases are closed automatically without human intervention.



eFR-19 System

Remaining cases are usually closed within 24 hours.



The screenshot shows a web browser window displaying the Maryland Motor Vehicle Administration (MVA) website. The browser's address bar shows the URL <http://localhost:65316/>. The website header features the MVA logo and the text "Welcome to the Maryland Motor Vehicle Administration" and "COMMITTED TO SAFETY, SERVICE, AND YOU". A navigation menu includes links for Home, Email Us, Phone Numbers, eFR-19 Hours, and Frequently Asked Questions. The main content area, highlighted with a yellow border, contains the following text:

Case 03998557 is still open.

Owner Name: [REDACTED]
Co-Owner Name:

eFR-19 received for vehicle title [REDACTED] requires additional processing by the Insurance Compliance Division. Please allow 3-5 days for processing. Contact the Maryland Motor Vehicle Administration, Insurance Compliance Division at 410-768-7431 for additional information.

Please [print this page](#) for your records.
[Start a new transaction.](#)

Buttons for Logout, Menu, and Back are visible below the text.

At the bottom of the page, there is a copyright notice: ©2011 - 2015 Maryland Motor Vehicle Administration. All rights reserved. Links for Privacy and Security Statement, Copyright Statement, and Content Accuracy Statement are provided, along with a link to Give us your feedback.

The page number 21 is displayed at the bottom center, and the browser's zoom level is set to 100%.

Requirements for Use

- * MVA requires a user have an active Maryland Producer's License in order to qualify for our eFR-19 system.
- * To reduce the possibility of fraud, accounts are assigned to an individual and must not be shared!

Phasing-out Paper

- * MVA plans to phase out the use of paper/fax FR-19s starting the beginning of 2017.
- * We would like to have feedback from the industry regarding the mandatory use of eFR-19s, specifically the Maryland Producer's License requirement for use.

Daily Reporting Guidelines

- Cancellation Reason Codes
 - Flat Cancellations
- Updating Existing Policies

Cancellation Reason Codes

- * All cancellation records (XLC) require a cancellation reason code to be present.
- * The most common reason code we see is the “Other” code (OTH).

XLC Reason Code Report

- This report summarizes the different codes we receive for a given month.
- As an example, the amount of OTH codes received for February are shown here.

F	CAN	BDT	OTH	OTH_PER
0	0	0	0	.00%
0	0	0	0	.00%
0	0	0	0	.00%
0	0	0	0	.00%
0	0	0	0	.00%
0	0	0	0	.00%
0	0	0	0	.00%
0	0	0	0	.00%
0	0	0	0	.00%
-	4,314	3	59,071	44.74%

Cancellation Reason Codes

- * Using the proper codes allows us to differentiate between different types of cancellations.
- * We have specific logic pathways geared to handle several of the reason codes present in the Electronic Data Interchange (EDI) standard.
- * When the correct codes are used, fewer cases are created, which means fewer calls, fewer FR-19s are needed, and improved data integrity.

Common XLC Reason Codes

- Common codes to use in lieu of “OTH”.
- The complete list of codes is available in the EDI 811 standard.

‘NPP’ Non Payment of Premium
‘COC’ Company Cancelled or Underwriting Reason
‘CRQ’ Customer Request, Competition, Voluntary
‘FRD’ Fraud by Insured
‘NPS’ Failure to Pay Surcharge
‘VOC’ Void Cancellation
‘DIS’ Dissatisfaction
‘SLD’ Vehicle Sold
‘XFR’ Transfer
‘ACT’ Financed Account
‘CAN’ Cancel/Rewrite
‘BDT’ Back Dated

Flat Cancellations

- * When sending cancellations, the “effective date” and “expiration date” fields should **not** be equal, except in rare circumstances (when a policy is obtained and cancelled on the same day).
- * When these fields are equal, it can result in case creation.

Flat Cancellations

Expected date formatting is as follows:

- * The “effective date” should be the start of the current policy term.
- * The “expiration date/cancel date” should be the date of policy termination.

Updating Existing Policies

- * When updating a customer's policy information, it is not required to send a cancellation record.
- * Simply send us a new business (NBS) record with the new information; our database will be updated accordingly.
- * Every time a policy renews, you may send us a new business (NBS) record with the updated policy term.

Legislative Update

- Senate Bill 888 - Collections Incentive
- Senate Bill 544 - Electronic Insurance Cards



Links to Legislation

- * Senate Bill 888 – Collections Incentive

<http://mgaleg.maryland.gov/2016RS/bills/sb/sb0888T.pdf>

- * Senate Bill 544 – Electronic Insurance Cards

<http://mgaleg.maryland.gov/2016RS/bills/sb/sb0544T.pdf>

Questions & Answers

A listing of questions and answers is available on the Insurance Compliance section of the MVA website.

