

MVA/ACIS – Progress Bulletin

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ACIS Is Coming!

The Automated Compulsory Insurance System (ACIS) will soon be accepting insurance transactions.

ACIS will soon begin to test the receipt/transmission of insurance transaction records to/from MVA and Insurance Companies. A Users Guide will soon be sent to each Insurance Company, describing in detail, the procedures necessary to interface with ACIS (See Program Background & Purpose). This Users Guide will contain instructions that will allow Insurance Company Information Systems personnel to seamlessly communicate with ACIS. The Users Guide will provide a system architecture overview, technical specifications for data transmission, data element definitions and testing procedures. The Users Guide will be sent to each Insurance Company on or about 8/14/1999. ❖

Contact Information

Questions regarding this bulletin can be directed to:

Acisinfo@mstechnologies.com

or see the ACIS web page at

<http://www.mstechnologies.com/acis.htm>

Program Background & Purpose

Why the need for ACIS?

Maryland's current insurance enforcement systems were developed independently over the course of the last 25 years. Legislative changes have resulted in insurers being required to report 100% of insurance cancellations as they did in 1972; however the system that processes the cancellations has not been modified to handle the increase in vehicle populations and transactions, compounded by three additional programs that have evolved since 1983. Insured vehicles represent 80-90% of Maryland's vehicle population and vehicle owners are inconvenienced by the necessity to verify insurance each time they change insurance companies as they take advantage of the competitive market. As a result of these many changes in the insurance industry, Senate Bill 776, was enacted during the Maryland 1998 Legislative Session. Senate Bill 776 is now referred to as Maryland's Automated Compulsory Insurance System (ACIS). Senate Bill 776 authorizes Maryland Motor Vehicle Administration (MVA) to establish and implement a system to additionally require each insurer or provider to report to the Administration all policies issued, but does not require mandatory participation before July 1st, 2000. ❖

ACIS and the Automotive Insurance Industry

ACIS processes automotive policy information reported to the state by all insurance companies who provide automobile liability insurance in Maryland. ACIS is being developed to simplify the sending and receiving of policy information. Policy information can be reported using one of the following media types:

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Submission Testing Phases

When can I begin testing?

The testing of insurance transaction submitted to MVA will occur in three phases. Each Phase will involve a increasingly larger number of Insurers. Phase I participants will be selected by MVA from a group of interested Insurers. Subsequent phases will involve additional Insurers. The Phases are described below:

Phase I (10/18/1999)

1. Work out operational issues involved with the receiving and sending of magnetic media.
2. Identify and resolve EDI connectivity testing issues between MVA and each insurance company.
3. Identify and resolve EDI issues associated with receiving 811 transaction documents.
4. Identify and resolve EDI issues associated with transmitting 997 acknowledgments.
5. Identify and resolve issues associated with the processing and validating of records for all media types.
6. Identify and resolve issues associated with the processing and validating of records submitted via the ACIS-INCO program.

The participants of Phase I will be:

1. Insurers who will submit transactions via EDI. Insurers who will submit transactions on cartridge tape.
2. Insurers who will submit transactions on diskette.
3. Insurers who desire to submit transactions using the ACIS-INCO program.

Phase II (12/6/1999) Will involve additional insurers who will be selected to participate in further testing. The goal of Phase II will be to further refine issues from Phase I by introducing additional insurers to the testing.

Phase III (3/6/2000) Will include all remaining insurance companies reporting via all media methods. Companies in this group will be staged into the testing program in small groups to allow effective handling of the large number of submissions that are expected. ❖

- Electronic (EDI)
- Magnetic (Diskettes and cartridge tapes)
- Manual (Paper.)

Two types of information are passed between the MVA and insurance companies. New business and cancellation records (FR-13) originate with the insurance companies and are submitted each time a change occurs to a policy. MVA will send insurance companies a request for insurance coverage in the form of a verification request record (FR-19), that are then returned to MVA for processing. Both of these record types can be reported using the media listed above. ❖

ACIS-INCO

Covering the middle ground

A software program, ACIS-INCO, will be available to those companies whose volume is small enough where manual entry of insurance business would benefit from an automated process. ACIS-INCO will collect and maintain data entered by an Insurer for FR-13 submissions and will produce FR-13 diskettes or support FTP transfers (future) for submission back to MVA for processing. It will also process FR-19 verification request diskettes sent from MVA and will provide the Insurer a method to report verifications. The verifications can then be transferred back to MVA via diskette or via FTP (future). ❖

Proposed Milestones

August 21, 1999 – Preliminary User's Guide

August 21, 1999 – ACIS web page is available

October 18th, 1999 – Phase I testing begins

December 6th, 1999 – Phase II testing begins

March 6th, 2000 – Phase III testing begins

July 1st, 2000 - Mandatory participation

September 1st, 2000 - Cutoff for testing submissions of insurers currently licensed through MD Ins Administration