

Progress Report on "A C I S" (Automated Compulsory Insurance System)

Background

This bulletin is to report progress on the Maryland Motor Vehicle Administration's (MVA) implementation of ACIS as mandated by Maryland Senate Bill 776. This law change was passed by the 1998 Maryland General Assembly and is effective July 1, 2000. The change requires all licensed liability insurance providers to report to MVA both insurance policy cancellations and new policies on a monthly basis. The ACIS system will match reported cancellations with new business to eliminate the need to contact most vehicle owners for insurance verification.

Progress Report / Procedures

To prepare MVA's computer system to accept the monthly reporting, each insurance company was requested to complete and return the "Maryland MVA Trading Partner Information Sheet." Each company was also requested to send its initial load or report of insured vehicles to MVA by March 1, 2001. As of this date, all but 40 companies have complied (these 40 represent a small percentage of insured vehicles in Maryland). MVA is currently uploading ACIS with what has been reported and will finish this task by late June 2001.

Starting in July 2001, MVA plans to run its computer match of reported insurance coverage against MVA's database of self-certified insurance coverage by the vehicle owner. MVA anticipates finding a large number of vehicles on our database for which no report of current insurance is received from the initial load. This will indicate that these vehicles may be uninsured. MVA will contact the applicable insurance companies with requests for insurance verification on the vehicles. For those vehicles not so certified, MVA will contact the vehicle owners directly to certify insurance coverage. This process will be staggered to reduce the impact on the insurance companies, the public, and MVA.

MVA procedures for this process will be as follows:

1. MVA will run reported vehicle insurance coverage against MVA's database of self-certified insurance coverage.
2. Where the database shows a vehicle covered by a company and that company has not reported coverage of the vehicle, the vehicle will be captured on a report.
3. MVA will then send the company a request for insurance verification for the vehicle in question. Basically, each company will need to confirm whether such vehicles are covered by insurance through the company.
4. For all vehicles that the company cannot certify insurance coverage, a request will be sent to the vehicle owner to provide verification of insurance.

Among the large volume of vehicles that will initially appear to lack insurance coverage, MVA expects to find that many have in fact been covered continuously. MVA plans to run a "pilot" match in April 2001 using a selected insurance company to help determine the volume of vehicles needing insurance verification. The pilot also will help MVA determine time frames for staggering the requests for insurance verification.

ACIS Project Status

Tasks Completed:

- Case processing program completed and in operation.
- Out of 541 insurance companies licensed to do business in Maryland; all but 40 companies have completed the trading information sheet and are sending their initial load of business.
- IVR interactive voice response system in full operation. This system allows for the 24-hour access to insurance compliance case and status information. The system also allows the customer the ability to pay an uninsured motorist penalty fine using a credit card.
- ACIS accounts receivable system completed and operational.

Tasks Pending:

- June 2001, run pilot match to project volumes of vehicles needing insurance verification.
- July 2001, match of all reported business against the MVA database.
- August 2001, first match of insurance cancellations against new business reported.

Information identifying system requirements, etc. on ACIS can be found in the *Maryland Users Guide* available at www.mstechnologies.com/acis.htm. Questions may also be directed to Mr. Robert Dodson, Manager, Insurance Compliance Division, Maryland Motor Vehicle Administration, at 410-787-7744.