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DATE: October 4, 2011
TO: Insurance Companies Writing Automobile Insurance in Montana
FROM: Brenda Nordlund, Administrator
SUBJECT: Executive Summary of Montana Insurance Verification System (MTIVS)

In 2009, the Montana Legislature enacted a law that required creation of an online motor vehicle liability insurance verification system. SB 508, as it is commonly known, requires the Montana Department of Justice, through the Motor Vehicle Division (MVD), to establish a system that:

- sends requests to insurers for verification of motor vehicle liability insurance using electronic services established by the insurers, through the internet, world wide web, or a similar proprietary or common carrier electronic system in compliance with the specifications and standards of the insurance industry committee on motor vehicle administration and other applicable industry standards;
- receives insurance data file transfers from insurers under specifications and standards set forth the law to identify vehicles that are not covered by an insurance policy;

The Montana Insurance Verification System (MTIVS) being implemented by MVD and its partner, MV Solutions, will verify insurance by interacting with insurers' system as follows:

- The primary method of insurance verification will be insurers' web services set up according to the specifications and standards of the Insurance Industry Committee on Motor Vehicle Administration (IICMVA).
- Book of Business (BOB) data from insurers will supplement the web services as:
 - A "pointer file" to determine which insurance company's web service to access.
 - A means to determine the policy number required by the insurance company web services.
 - A means to determine the VIN required by insurance company web services when there is a mismatch between insurance company VIN and MVD VIN and through use of soft-match routines performed by MTIVS, the VIN mismatch rate can be reduced from 10-15% to less than 3%.
 - A secondary source for insurance verification when insurance company web services are not available.

These BOB elements are essential if MTIVS is to attain and maintain the required 5-second response time for MTIVS queries integrated through CJIN/NLETs (state and national law enforcement networks) and to support law enforcement 365/24/7.

BOB files will be formatted according to the IICMVA Data Transfer Guide. MT will use the IICMVA BOB format with the inclusion of three optional data elements in the Filler field of the IICMVA format.

- Commercial/Personal Indicator: Reporting of commercial policies is not mandated, however, it is permitted at the insurer's option. Not all insurers will be reporting commercial policies. This field will be used to differentiate between Personal and Commercial lines when determining terminations and prevent unnecessary correspondence and action against commercially insured vehicle operators.
- Expiration date: The IICMVA model recommends verification up to 6 months in the past. This field will allow MT to determine coverage up to 18 months in the past.
- MT Driver License Number: This is not a mandatory field in the MTIVS BOB format. If submitted by insurers, it will be used in the soft matching routines to reduce VIN mismatches. The DL number is one of the most accurate data elements between a jurisdiction and an insurance company since it is usually verified by the insurance company when obtaining MVRs during the underwriting process.

Insurers providing coverage for less than 500 private passenger vehicles registered in MT will not be required to set up web services or submit BOB files. A web transaction will be provided for them to report BOB data.