

NC Division of Motor Vehicles

Commissioner Wayne Goodwin



Insurance Companies to Submit Policy Notifications to Division
Electronically

Lapse in Financial Responsibility

March 1, 2022

Session Law 2021-185 required the Division of Motor Vehicles to develop a plan to implement electronic transmission of motor vehicle insurance coverage status.

Background

NC Division of Motor Vehicles (DMV) has a system for accepting documentation from insurers required under G.S. 20-309.2 in an electronic format. However, the current Liability Insurance Tracking & Enforcement System (LITES) cannot identify out of state or non-existing policies when a certification is made during vehicle registration or insurance verification.

The existing system has the following challenges:

- Insurance companies/agents often submit duplicate insurance documents, causing a backlog in the Liability Insurance Unit. This may increase initially as more uninsured motorists are identified.
- Often the Liability Insurance Unit cannot verify current insurance information when a customer self-certifies at registration. Self-certification is when a customer verbally provides insurance information.

Solution Overview

The DMV has an Electronic Insurance Verification system out for bid. Technical and business subject matter experts will review the bids to ensure the system's efficacy. The same subject matter experts along with the IT Senior Procurement Specialists will manage the project from inception to implementation. These subject matter experts will continue to manage and monitor the EIV to provide all customers and the insurance industry with the highest level of customer service.

The goal of the EIV is to complement the current method of monitoring for compliance with state insurance laws with a more thorough and updated process. Currently, DMV performs a random sample by selecting 10% of all registrations daily. It sends this list to insurance companies via a nightly batch process to verify that the self-certification was correct at the time of registration. This is a manual process that requires the insurance company to respond to the email and for Liability Insurance Unit staff to read the emails and take appropriate action. The new EIV will be able to identify out of state or non-existing policies and will work in conjunction with LITES.

The proposed solution will provide the ability to verify vehicle liability insurance within 20 days of registering, transferring, or renewing a vehicle license plate. The solution will return a *confirmed*, *system validation failed* or *unconfirmed* description. For unconfirmed policies, the system will send the registered owner a prima facie letter to resolve the vehicle liability insurance issue. The EIV solution will meet the following business goals:

- identify more of North Carolina's uninsured drivers;
- decrease the number of uninsured drivers;
- establish a real-time connection with enough insurance companies to receive greater than 95% liability insurance policy inquiries.

The EIV will provide DMV real-time verification of insurance compliance for the motoring public using automation and should require limited manual intervention. Customers, DMV and the insurance industry will benefit as more of North Carolina's uninsured motorists will be identified. Once a vendor is selected, DMV will develop a proposed timeline to implementation.