



Frequently asked Questions regarding Department of Motor Vehicle (DMV) Proof of Coverage Reporting Requirements

Who has to report information to the state?

Insurers are required to report vehicle and/or policy information to the various states. Brokers/Agents/Producers must provide complete and accurate information to the insurer. This information, or what is referred to as data elements, vary by state as not all state DMVs require the same data elements. See the templates on this website for required data elements for each state.

What vehicles do we report?

- Any private passenger or commercial policy must be reported.
- All new business and cancellations must be reported, depending on state rules.
- Additions and deletions to existing fleets of business must be reported, as required by state rules.
- Leased vehicles to our insured must be reported.
- Substitute vehicles must be reported.
- Vehicles registered to individuals whose coverage is to be provided by our insured's policy.
- As noted, requirements by state differ. Refer to the DMV Filing Quick Reference Guide for specifics.

What other options are there for getting this information to AIG?

1. We will work with the producer to receive as much of the data electronically for an interface with various state DMVs. AIG has created a web based tool (ALIR) for access by the producers through MyAIG. Please use this tool for data submission. Data can be keyed directly into the system or can be placed on DMV Reporting templates for direct upload into the system.
2. After the initial load of policy data, additions, deletions, cancellations and renewals must be reported as required by the various state regulations.
3. First source of help is your underwriter, but we have also established a centralized DMV Unit to work with our underwriters and assist our producers to submit the required data either directly into the ALIR system or to their underwriter via DMV Reporting templates for review before reporting the information to the various state DMVs. This is to make sure that the data is, in fact, accurate.
4. We will explore other reasonable (feasible) options that are presented by a producer that comply with the information needs of these systems and that can be accomplished within the established time frames.
5. Electronic Data interface is certainly a cost effective method for the producers to feed the data to us.
6. Currently some large producers feed data directly to us through their in-house systems. This process eliminates the need for the submission of the data on the electronic templates.

What information is required so that AIG can accurately report to the various DMV's?

Templates are available at this website that shows the necessary detailed information for each state. The quantity of data that is required to be reported will vary by state. Additionally, some states allow for composite rated policies to be reported on a policy and registrant name basis, without requiring the vehicle specific data. All data fields shown on the template are mandatory, except for the columns marked "Optional". **In order to comply with the state requirements, we will need the information on or before the bind date.** Again, this data is to be loaded directly into the ALIR system, or electronically



transmitted to your underwriter who will review the data for completeness and upload into the reporting system.

Why do I have to list the details on a commercial fleet account? What states requires this amount of detail?

Of the 17 states that currently require vehicle reporting; only 6 require vehicle specific reporting on policies that are composite rated. All states require vehicle specific reporting for the leased vehicles and those vehicles registered to individuals that are afforded coverage on the corporate policy, such as the executive cars, etc. The 6 states that require full vehicle information on all commercial policies are CA, DC, KY, MA, NC, and NY.

What are the Major Risks resulting from lack of reporting or reporting inadequacies?

Customer Risks: Traffic stops, vehicles impounded, registrations suspended, drivers' licenses suspended, insureds unable to complete vehicle registration as a result of missing data in the state DMV databases (these situations have happened frequently in the states of MA, NM, and NY)

Business Risk: Customer suits against producers and insurers for losses incurred by negligence, customer defection, Proof of Coverage verifications beyond policy contracts, carrier license suspensions or revocations.

Financial Risks: State fines and penalties. Many states have issued significant fines against many insureds and insurers.

Operational Risks: A rise in operational costs to complete the reporting and as additional states impose requirements and the DMV processes mature.

What happens if AIG does not get the information from the agent/broker /producer/insured?

Since the regulations require AIG to report this information and since there are penalties for non compliance, **it is necessary for AIG to receive this data at time of binding.** There are severe consequences for the insurance company and the insured. It is AIG' intent to pass on to the producers any fines that are associated with the data reporting requirements of each state, when the issue is the fact that the data has not been submitted to AIG in a timely manner.

Whom do I call for information?

First source of information should be with your profit center's underwriter.

You can also contact the Regulatory Reporting DMV Support Unit.

DMV Support Unit

Phone: (866) 799-7195

Email: DMVDataEntry@aig.com

Fax: (908) 679-4068