



STATE OF NEW YORK DEPARTMENT OF MOTOR VEHICLES
6 Empire State Plaza Albany, NY 12228

STATE OF NEW YORK INSURANCE DEPARTMENT
Agency Building One, Empire State Plaza, Albany, NY 12257



Richard E. Jackson, Jr.
Commissioner

Neil D. Levin
Superintendent

August 16, 1999

Re: Insurance Information and Enforcement System (IIES)

Dear Insurance Company CEO:

We are writing to apprise you of the status of the Department of Motor Vehicles-Insurance Department joint initiative, the Insurance Information and Enforcement System. To better accommodate all those whom this project affects, we have elected to extend the time frame for compliance as follows:

Initial Loading. The start date for initial loading has been extended to April 3, 2000 from the original date of January 3, 2000. The window of time for initial loading will extend from April 3, 2000 through June 30, 2000. All insurers who load their books of business for NYS registered vehicles during this window will be considered in full compliance with the law. The schedule for loading these data will be determined by the Department of Motor Vehicles in conjunction with individual insurers. Please be aware that the current tape reporting system will be phased-out prior to April 3, 2000; therefore, cancellations must be reported via EDI following initial loading.

Composite Rated Fleet Vehicles. The initial loading window for composite rated vehicles has been extended even further, starting on April 3, 2000 and ending on December 29, 2000; however, it behooves insurers to comply as early as possible for the following reasons:

- DMV will initiate Mandatory Verification (MVF) whenever a New Business (NBS) transaction is not received from an insurer to confirm information from an insurance ID card submitted to DMV as proof of insurance. This will generally occur after an ID card is presented during the process of registering a vehicle for the first time. Insurers are required to respond to a mandatory verification within 14 days.
- DMV will begin an inquiry process early in 2001 for every registered vehicle for which there is no data in the IIES database. These data can only be acquired through an Initial Load (LOD) or New Business (NBS) transaction received from an insurer.

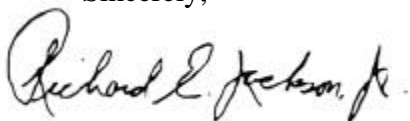
- Effective April 3, 2000 non-vehicle specific ID cards will only be accepted for Dealer and Transporter registration classes. ID cards for all other registration classes must identify a specific vehicle, using the vehicle identification number (VIN).

For-Hire (FH) Registration Classes. Initial loading of all vehicles registered in FH classes must be completed by June 30, 2000. Effective April 3, 2000, vehicle specific insurance cards (Form FH-1) will be required for FH registrations. At that time, Fleet insurance cards (Form FH-2) will be discontinued and no longer accepted for registration.

DMV will continue to communicate all technical and business requirements for IIES through its separate business Web Site (<http://www.nydmv.state.ny.us/iies.htm>). E-mail notices will also be sent if DMV has been provided with an address. If you or your designee have any questions about this announcement, please contact Ernest Kitchen, Jr., Director of Consumer Protection-- DMV, at (518) 473-3347 (e-mail: ekitc@dmv.state.ny.us) or Craig A. Holbrook, IIES Project Manager-- DMV, at (518) 402-2130 (e-mail: iies@dmv.state.ny.us).

The new IIES program will cause us to face numerous challenges, even with these extensions. Program success will require ongoing public-private sector cooperation, allocation of necessary resources, and adherence to a common goal. We remain committed to a successful and effective Insurance Information & Enforcement System.

Sincerely,



Richard E. Jackson, Jr.
Commissioner
NYS Department of Motor Vehicles

Sincerely,



Neil D. Levin
Superintendent
NYS Insurance Department