

**Model User Guide for Implementing
a Motor Vehicle Liability Insurance
Reporting Program**

**INSURANCE INDUSTRY COMMITTEE ON
MOTOR VEHICLE ADMINISTRATION (IICMVA)
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1.0 Introduction to the Model User Guide

1.1 User Guide Purpose

The purpose of this guide is to provide insurance companies and servicing agents with the information needed on how to report designated liability insurance transactions to the state as required by (insert legislation name here).

This guide will provide a mix of business and technical information to define when and how insurance information will be transmitted between the state and the Insurance Industry.

1.2 Program Goal

The (insert name of program) goals include:

- Increased compliance with compulsory insurance laws.
- Establishing an effective and efficient insurance reporting program.
- Enabling a timely exchange of information.

1.3 Program Purpose

The purpose of the (insert program name here) is to assist in the enforcement of motor vehicle liability insurance requirements by designing, developing, implementing and maintaining a comprehensive electronic reporting program.

1.4 Background Summary

Items to be included here are:

- what statute was enacted to establish the program
- what entities will have access to the information provided by insurers
- identify any working committees that have been or will be established for the program and who comprises that committee(s)

1.5 Project Phases

The project will be conducted in the following phases:

- Establish working committee consisting of appropriate state representatives, industry representatives, and vendor if applicable. It is essential that the group include technical people.
- Schedule working committee meeting dates.
- Publish program requirements.
- Independent testing of state and insurer programs.
- Integrated testing between state and insurers.
- Initial Download of insurers' policies.
- Begin regular reporting.
- Begin verification of insurance process.
- Need post-implementation review and evaluation process.
- Monitoring by the IICMVA.
- Jurisdiction provides ongoing feedback on transactions received, number accepted, error trends, etc.

1.6 DMV Project Contacts

State Project website address

Business Contact: Name

Mailing address

Email address

Phone number

Fax number

Technical Contact: Name

Mailing address

Email address

Phone number

Fax number

2.0 Business Reporting Requirements

This section describes the business events, transactions to be used, and notification requirements of those events reported to the State.

General Provisions for Insurance Reporting

- Insurers shall report data for vehicle specific policies.
- Insurers may report via EDI, Cartridge tape, diskette, or paper. The specific reporting medium is based upon the amount of data expected from the reporting company and state requirements.
- Electronic reporting will adopt the insurance industry ASC X12N implementation guide called Automobile Liability Insurance Reporting as described in section 4.0.
- Mandatory reporting dates shall be adhered to as provided in section 2.X of this document.
- Reporting will consist of insurers submitting an initial "data load" of existing active policies; periodic reporting of policies newly issued or canceled, and respond to requests to verify insurance.
- Insurers shall be notified at least 90 days before any changes in operating and reporting procedures are effective.

2.1 Transaction Types

The following transactions will be sent to the state by insurance companies or servicing agents:

- Initial Load (LOD)
- New Business (NBS)
- Reinstatement (REI)
- Cancellation (XLC)
- No Insurance (NIS)
- Verification of Insurance response (ACK)

The following transaction, initiated by the state, requires a response from insurance companies or servicing agents:

- Insurance Verification (ACK)

2.2 Transactions That Are To Be Reported To the State

The table below outlines the insurer initiated transactions that are to be reported to the state.

Table 1 – Insurer Initiated Transactions

Business Event	Transaction Description	Transaction Code	Notification is Due/Usage Rules
1. One time transfer of insurer's book of business insured in the state of XXX.	Initial Load	LOD	Effective date of each policy should be equal or prior to the reporting date of the initial load.
2. New policy issuance (each vehicle on the policy) 3. Vehicle(s) added to an in force policy. 4. A different vehicle replaces a vehicle on an in force policy. 5. Policyholder (all vehicles on a policy) moved to a different company within insurer group (different NAIC code).	New Business	NBS	Not later than 30 days after the transaction to add the vehicle is processed. Not earlier than 30 days prior to the effective date of the vehicle.
6. Policy is reinstated (all or specific vehicle)	Reinstatement	REI	Not later than 30 days after the transaction to

			<p>reinstate the vehicle is processed.</p> <p>Not earlier than 30 days prior to the effective date of the vehicle.</p>
7. Policy or vehicle is canceled by insurer or insured.	Cancellation	XLC	<p>Not later than 45 days after the transaction is processed by the insurer.</p> <p>Not earlier than 30 days prior to the effective date of cancellation.</p>
8. Repudiate coverage in response to a DMV initiated ACK transaction (insurer does not insure the vehicle)	No Insurance	NIS ACK	<p>Responding to an ACK transaction – not later than 45 days after the ACK transaction is sent.</p>

2.3 Transactions Initiated by the State

The transactions describe below will be sent by the DMV to insurers when the business event described occurs. The table also describes the corresponding response from the insurer.

Table 2 – DMV Initiated Transactions

Business Event	Transaction Description	Transaction Code	Notification is Due/Usage Rules
<p>1. DMV does not receive a NBS transaction to confirm the Insurance document used to register a vehicle. DMV initiates an ACK transaction for that vehicle.</p> <p>2. Verification of insurance for a vehicle (for a reason not related to a registration transaction, e.g. accident, violation, vehicle registration).</p>	<p>Insurance Verification request</p>	<p>ACK NIS</p>	<p>Insurer is to respond with an ACK transaction within 45 days of receiving the ACK transaction if the vehicle is insured.</p> <p>OR</p> <p>Insurer is to respond with a NIS transaction within 45 days of receiving the ACK transaction if the vehicle is not insured.</p>

2.4 Transactions That Should Not Be Reported to the State

The table below describes transactions that should not be reported to the DMV.

Table 3 – Excluded Transactions

Transactions Not to be Reported to the DMV
1. Transactions not required by, excluded by, or specifically prohibited by statute or regulation.
2. Multiple submissions of the same exact transaction record within the same transmission.
3. Multiple submissions of the same exact transaction record with different transmissions. Resubmissions must be the results of a previous error/disposition condition (edit error, unresolved no-hit exception, 997 transaction error, 811 transaction error, or non-receipt of a 997 transaction interchange acknowledgment from the DMV).
4. Transactions for excluded vehicle classifications: <ul style="list-style-type: none"> • Motorcycles • All terrain vehicles • Snowmobiles • Watercraft • Non-commercial trailers • Police and Fire department vehicles • Government vehicles • Dealer registrations • Implements of husbandry (e.g., farm tractor) • Golf carts • Unregistered vehicles • Non-specific vehicles
5. Policy renewals.
6. Transactions for policy changes related to drivers, coverage limits, non-liability coverage (these are considered administrative changes internal to insurers).
7. Transactions for cancelled policies that were reactivated to make administrative changes unrelated to this program (e.g., premium adjustment).
8. Transactions for quotes/binders when the policy of liability insurance never took effect.
9. Transactions for vehicles owners who are not the vehicle registrant (e.g., lessors).

2.5 Data Elements to Be Reported

a. The insurer shall transmit the following information to the DMV:

1. Insurance company number (NAIC code);
2. Insurance policy number;
3. Vehicle Specification Information; (see definition in Section 5.1)
4. Transaction type;
5. Insurance policy effective date, if the transaction type is NBS or REI; LOD when applicable;
6. Insurance policy cancellation date, if the transaction type is XLC;
7. Named Insured's Name (first named insured);
8. Named Insured's street address;
9. Named Insured's city;
10. Named Insured's state;
11. Named Insured's zip code;
12. Each vehicle's VIN, (for vehicle specific policies). A complete VIN shall be reported for vehicles with model year 1981 and later. A partial VIN shall be accepted for a vehicle with a year model prior to 1981.
13. Vehicle Make, (for of abbreviation optional);
14. Vehicle year

b. Transmission of the following information is optional. These optional fields can be used for secondary matching.

1. Named Insured's date of birth, if a person and not an organization;
2. Named Insured's driver license number;
3. State where driver license was issued;

3.0 Electronic Data Interchange Overview

3.1 EDI Background

Electronic Data Interchange, commonly referred to as EDI, is computer to computer transmission of business data. Information can be exchanged within minutes or hours. Data is in a computer readable format and, at any point along its path, is available for analysis, control and distribution. Large amounts of data can be exchanged. Message acknowledgements validate delivery. Large numbers of trading partners are easily managed by commercial EDI software.

Becoming an EDI trading partner requires a computer (PC, mini or mainframe) and the following:

- Communication hardware
- Communication software
- Translation software

There are many companies marketing EDI software/hardware. There are packages that run on all sizes of computers (personal computers, minicomputers, mainframes) and on most operating systems (DOS, Windows, OS/2, Macintosh, UNIX, AIX, etc.). Prices vary widely, usually based on the size of the computer, but the EDI software market is very competitive from a price standpoint.

A Company can develop its own software translator package. One source for obtaining more information is by attending EDI trade shows, contacting insurance trade associations or organizations.

A technical document prepared by the industry and ANSI ASC X12N explains the uniform EDI language to be used. The document resides on the Internet website of Washington Publishing Company. Their web address is: wpc-edi.com and the guide may be found under Property & Casualty Insurance implementation guides. The document name is Automobile Liability Insurance Reporting. It utilizes an X12 transaction set called 811. Copies of the guide may be downloaded for a charge or paper copies may be obtained at a slightly higher price.

3.2 ANSI ASC X12 Standard

An EDI implementation guide has been developed to support the reporting process. The document name is Automobile Liability Insurance Reporting. It utilizes an ANSI ASC X12 transaction set called 811. Insurers reporting electronically should obtain a copy of this guide. It will be used as a reference manual for identifying the American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 conventions currently used. The authors of the document believe the document will provide your company and the DMV with the information that will facilitate a quick and efficient implementation of EDI. The ALIR implementation guide enables the use of EDI for the notification of the status of automobile liability insurance coverage on motor vehicles. DMV has identified data elements out of the ALIR implementation guide for use in this program.

Interested parties can also obtain a complete copy of the X12N guide by contacting Washington Publishing at 1-800-972-4334 or through the internet address, www.wpc-edi.com.

4.0 System Architecture

4.1 Overview

The DMV's system processes automotive policy information reported to the state by all insurance companies, who provide automotive liability insurance in the state, return acknowledgements, errors and insurance verification requests.

Policy information is reported using one of the following media types:

- Electronic (EDI)
- Magnetic (diskettes and cartridge tapes)
- Manual (paper)

The choice of media will be based on the amount of data expected from the reporting company.

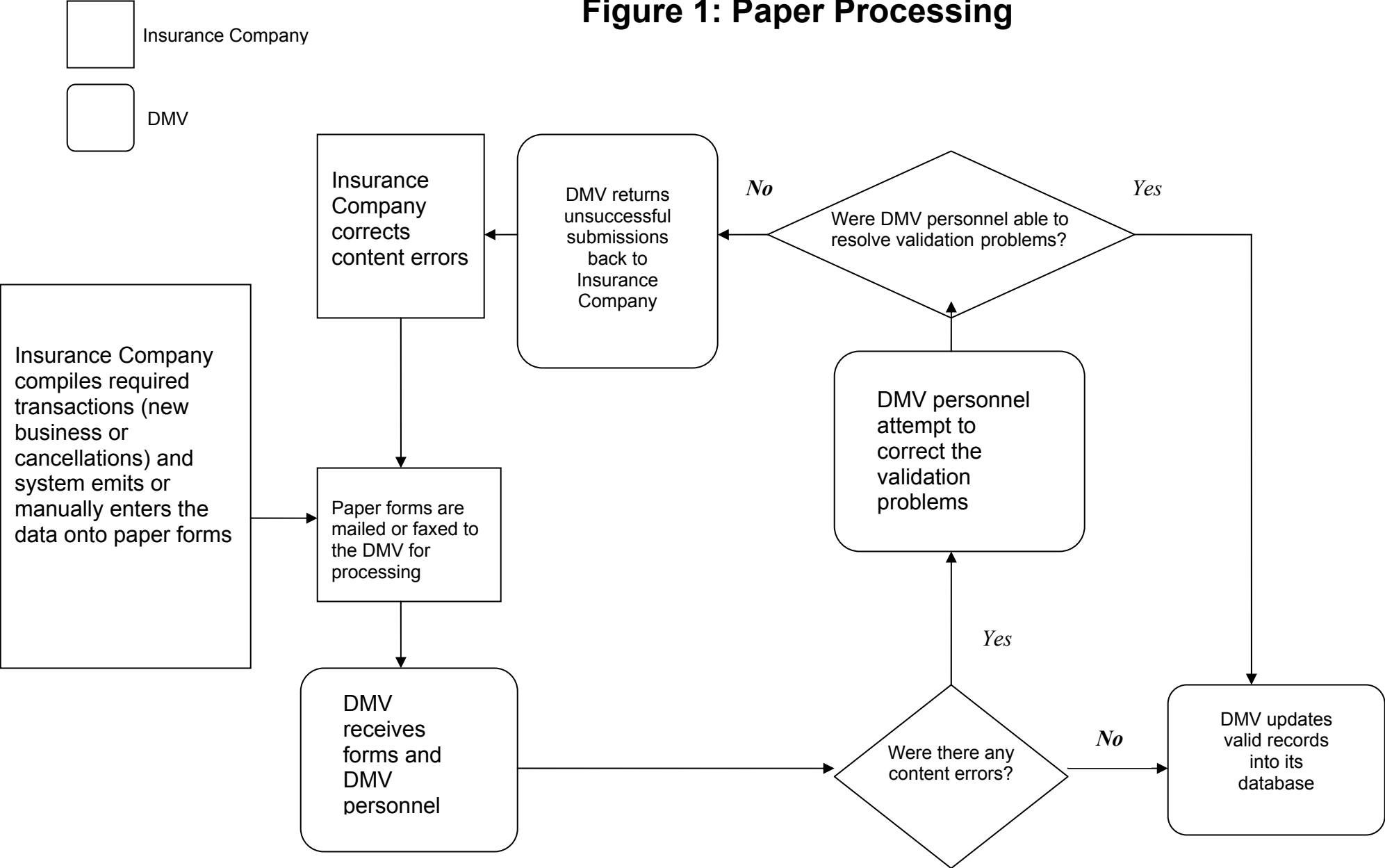
Number of Policies in Force	Media Choices
1,001 to 5,000	Diskette, tape cartridge, EDI
5,000 or greater	Tape cartridge, EDI
1,000 or less	Diskette or paper

Paper, faxes, and email reporting will also be used for following types of emergency situations:

- Error resolution that has not been able to be resolved through one of the other media options.
- Emergency confirmation of coverage is required.

Figures 1 and 2 are data flow diagrams which describe the flow of new business and cancellation records through the system for Paper and Magnetic Tape processing. Figure 3 is a data flow diagram which describes the flow of new business, cancellation, and verification records through the system for EDI processing using the ASC X12 811 data format.

Figure 1: Paper Processing



1.1.1 Figure 2: Magnetic Tape Processing

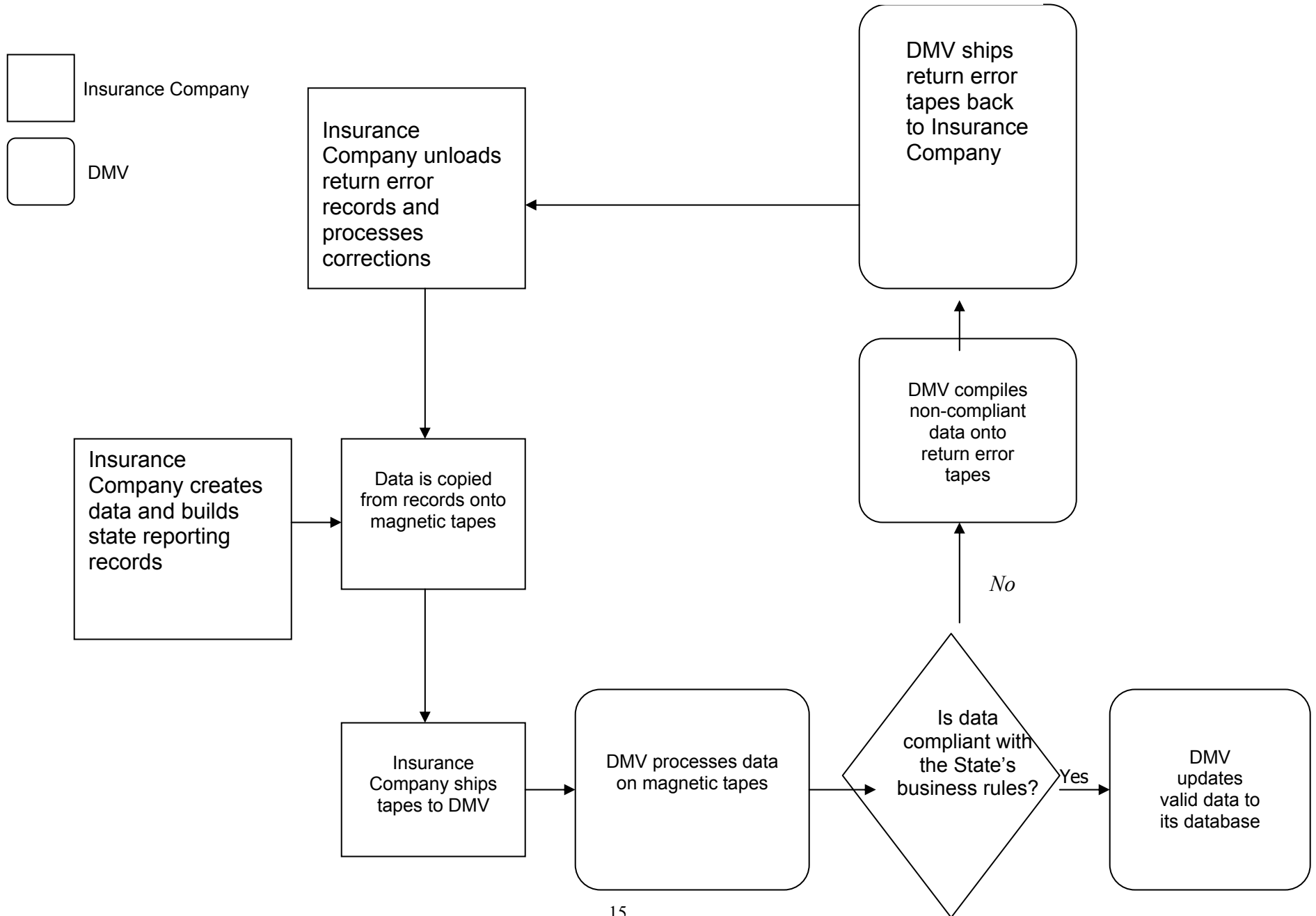
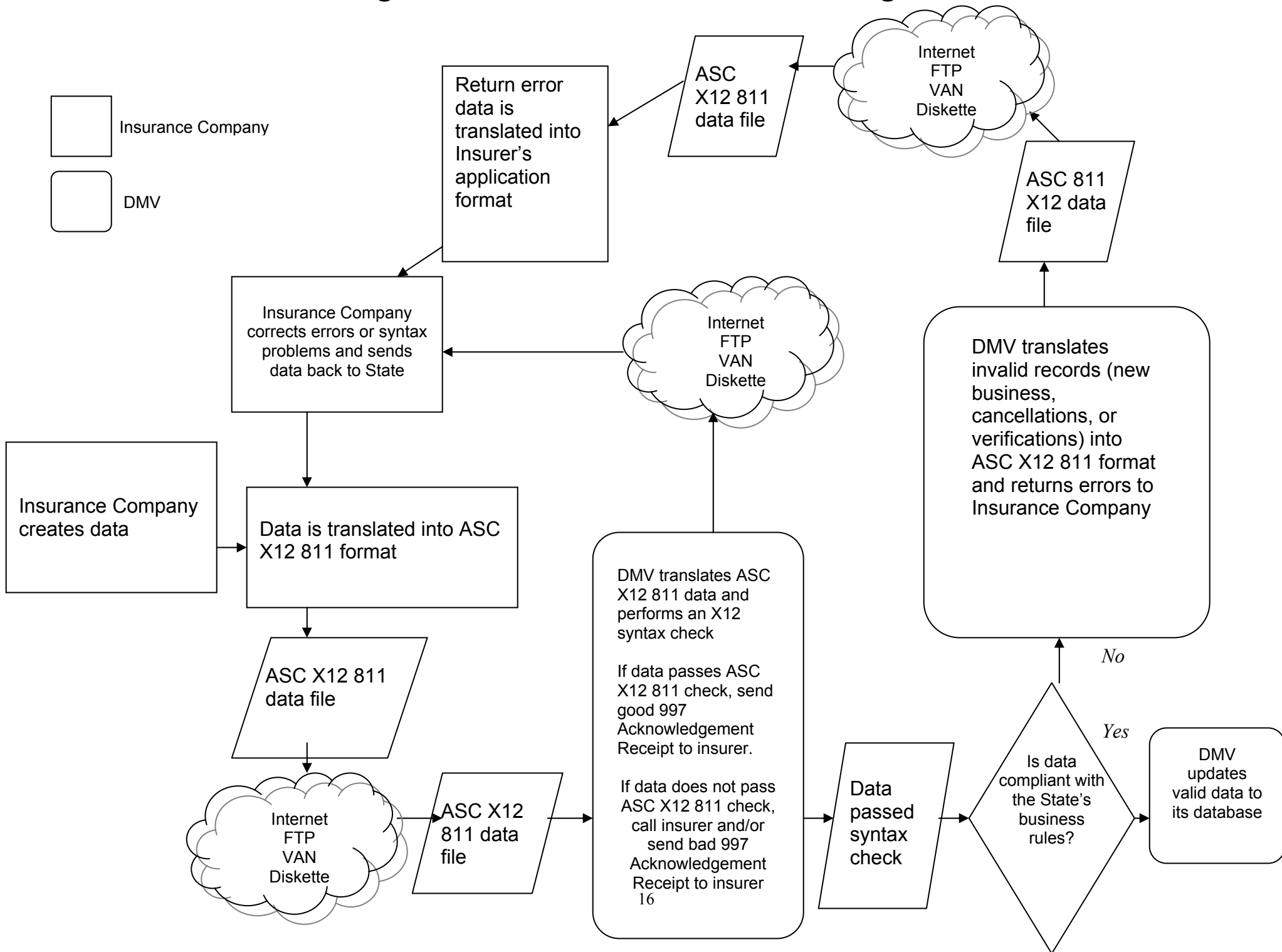


Figure 3: ASC X12 811 EDI Processing



4.2 Electronic Reporting

EDI (Electronic Data Interchange) documents are delivered to the DMV on the DMV's EDI server. Once received, the data is examined for accuracy and if found to be in error, is returned to the insurer with appropriate error information. Valid records are allowed to enter the DMV system where they are processed.

Reporting information is sent to DMV using a standardized format defined by the American National Standards Institute (ANSI). The standard is known as the ASC X12N Transaction Set 811 (Consolidated Service Invoice or Statement). This standard will be referred to as X12-811 in further discussion. The insurance industry subcommittee has further defined a standard usage of the X12-811 for use by insurance companies. This is referred to as the Transaction Set 811 for Automobile Liability Insurance Reporting (ALIR).

The following steps describe an overview of how insurance liability information is received and processed via X12-811.

1. The EDI software on the DMV server retrieves the documents, removes the documents from their electronic envelopes, and translates the 811 documents to individual records in DMV's application data format. A Functional Acknowledgment document (ASC X12 Transaction Set 997) is prepared for returning to the sender. The translator checks to ensure that the document follows the rules of the 811 ALIR standard and that certain data elements are correct according to DMV's rules. If an error is detected, it is noted in the 997 acknowledgment and the 811 document is not processed any further. If no errors were found, the DMV data records are allowed to continue through the system.
2. The 997 acknowledgment is sent to the insurance company's mailbox. A 997 is always sent, whether or not any translation errors were detected or not.
3. The data records are validated for content errors. Each field is checked to insure it contains correct information. Validation errors are described in another section of this document. Records that do not pass validation are written to a file for subsequent error processing. Validated records are passed on for matching with DMV records data.
4. Valid records are checked against DMV records for matching records and DMV records are updated with an insurance indicator.

5. Unmatched and Error records are translated into an 811 document, placed into an EDI envelope, and are sent to the insurance company's mailbox. If there were no errors found in the incoming document, nothing is sent to the insurance company.
6. Information regarding the document (from whom, number of records, number of errors, number of each type of error, etc.) is written to a file for processing by the DMV. A report is generated outlining validation statistics. The above steps will not only be used for periodic reporting, but also for initial loading of policy information and for testing. Depending on volume, insurance companies with large policy volume may be required to submit their initial loads on magnetic tape.

4.3 Magnetic Reporting

Insurers with lower reporting volumes may use magnetic means to report to the DMV. The format of the magnetic records is described in section 5.1.

Magnetic media is sent to DMV on either 3.5" PC (IBM) formatted diskettes or on 3480 magnetic tapes. The specific requirements for diskette and magnetic tapes are in section 5.1 of this document.

4.4 Diskettes

This section describes the steps that are taken to process diskettes received by the DMV. Diskettes are processed directly by DMV.

1. Diskettes are received by DMV staff, who enters them into a program. If the diskette is unreadable, then the entire diskette is rejected. A report is generated and the diskette is returned to the insurance company.
2. When data can be read, it is processed for accuracy and content. Any errors detected are written to a DMV database table for subsequent reporting. Valid records are retained and processed further by the system.
3. A report is generated that outlines specific errors that were encountered for each record processed. This report and the diskette are returned to the insurance company. Diskettes with no errors are not returned to the reporting company.

4.5 Manual Reporting

In certain circumstances, insurance companies will be permitted to report on paper. This section outlines the steps involved with processing paper reporting.

1. Financial responsibility forms are received at the DMV via mail, fax, or Email.
2. The information from each form is entered by DMV personnel into the DMV insurance database. The data is validated for content errors. The DMV personnel will attempt to correct the problem. If unsuccessful, the submission will be returned to the insurance company.
3. Valid records are processed by the DMV insurance information database.

5.0 Data Element Specifications

DMV has specified particular data elements out of the ANSI ASC X12 Standard, Transaction Set 811 Implementation Guide to be transmitted by the insurer.

This section includes a definition and the validation rules of each data element. This includes data dependencies and clarification of values used for some data elements.

Data element validation rules may require the DMV to reject the entire transaction set or a single document record, commonly referred to as a hard error. Validation rules require the data element be present and in proper format. Many data elements are either required by statute, rule, or needed to make a proper match. All hard errors require record corrections and resubmission of the record to the DMV.

The transaction set may also produce soft errors defined as an error in the data element. The DMV will accept the document and notify the insurer there may be a problem with the particular data element. Soft errors should be reviewed and the data element corrected in the insurer's file. Soft errors do not require the insurer to resubmit the record to the DMV.

The DMV retains records in the insurance database which pass all validation rules without hard errors, regardless of whether it matches a State vehicle record. The State's insurance file is searched for a match each time a new vehicle is registered with the state. This search allows for the necessary time needed for new vehicle registrations to be entered into the State's vehicle registration database.

5.1 Data Element Definitions and Validation Rules

Insurance Company Number: This is the NAIC number that identifies each insurance company, (not the group number). The DMV maintains a listing of each insurance company that completes the certification testing and therefore is identified as a trading partner. If the insurance company has not been certified as a trading partner, the DMV will reject the entire transaction set. The insurer must contact the DMV and become certified as a trading partner.

Submission Date: This is the date that the insurance company submits the 811 transaction to the DMV. If a date is not present or is not valid, the entire transaction set will be rejected. The insurer must correct the date and resubmit the transaction set.

Policy Number: This is the insurance policy number. It must be included with each transmission. If a policy number changes, the previously submitted document must be terminated (cancellation transaction sent) and a new business document submitted with the new policy number. An exact match must be made on the terminated policy record. This is to avoid terminating the wrong policy and creating potential problems for a citizen.

Vehicle Specification Information:

- V: Vehicle specific
- NS: Not vehicle specific
- NF: Not vehicle specific fleet

A vehicle specific policy indicates the policy lists specific vehicles. A non-vehicle specific policy indicates a policy that does not identify specific vehicles.

Vehicle specific data elements (VIN, make, year) will be required to be submitted with vehicle specific vehicles.

Transaction Type: This code determines how the record is processed. There are six acceptable codes in this system. Policy records submitted without a transaction will be rejected:

LOD: (Initial Load): Used by insurers for all policies submitted with the initial load process.

NBS: (New Business): Used by insurers to submit a new business policy or vehicle.

XLC: (Cancellation): A cancellation of a policy or vehicle that has previously been submitted as an LOD, NBS, or REI.

REI: (Reinstatement): Used to reinstate a policy or vehicle that has been previously canceled with an XLC transaction.

NIS: (No insurance): Submitted when a policy or vehicle is identified as not in force in response to a DMV request to verify insurance liability coverage.

ACK: (Insurance verification): Initiated by the DMV (only) to verify insurance liability coverage for a vehicle. Returned by Insurer to verify insurance liability coverage is/was in force.

Policy Effective Date: This is the date that insurance coverage takes effect. The policy effective date is required with all 'LOD', 'NBS', and 'REI' transactions.

If the DMV receives an effective date on a termination transaction code 'XLC', the effective date will be ignored and the record will be processed.

Policy Cancellation Date: This is the date the insurance coverage is no longer effective. This date is required with all 'XLC' transaction submissions. If the date is absent, the submission will be rejected. If a cancellation date is submitted with 'NBS', 'REI', or 'LOD' transactions, the record will be rejected.

Named Insured's Last Name: This is the last name of the first named insured if the insured is a person, or the name of an organization, depending upon the type of entity the named insured is. This data element is mandatory for all policy types. If the data element is not present and valid, the DMV will reject the record.

Named Insured's First Name: This is the first name of the first named insured if the insured is a person. It is mandatory if the insured is a person and optional if the insured is an organization.

Last Name of Additional Driver: This the last name of an additional driver or insured. This data element is optional for all policy types. If the data element is not present, the DMV will still accept the record.

First Name of Additional Driver: This is the first name of the additional driver or insured if the driver or insured is a person. This data element is optional for all policy types.

Date of Birth: This is the date of birth of the insured or additional driver. If it is indicated that this record is a person, the date of birth must be present and valid. If the date of birth is blank, the record will be rejected. If a date is submitted for an organization, it will be accepted with no error. The date of birth will be validated to be a true date.

Address: This is the street or P.O. Box address of the first named insured. If the data element is not present, the record will be rejected.

City: This is the resident city for the address of the first named insured. If the data element is not present, the record will be rejected.

State: This is the resident state for the address of the first named insured. If the data element is not present, the record will be rejected.

Zip Code: This is the zip code associated with the address of the first named insured. If the data element is not present or does not pass the zip code table, the record will be rejected.

Driver's License Number: This is the first named insured's or listed driver license number.

Driver's License Number Jurisdiction: This is the code for the state/jurisdiction that issued the driver's license number to the insured.

VIN: This is the vehicle identification number. If the policy type is vehicle specific, this data element is required or the record will be rejected. If any policy type data element other than vehicle specific is present, the record will be rejected. If there is vehicle data, the policy type must be vehicle specific. If the policy type is not vehicle specific, this data element is not required.

Include the full 17 character VIN for vehicles with the vehicle year of 1981 and after. Less than the full character VIN will be accepted for vehicle years prior to 1981.

Vehicle Make: This is the manufacturer of the vehicle. If the policy type is vehicle specific, this data element must be present or the record will be rejected. If any policy type data element other than vehicle specific is present, the record will be rejected. If there is vehicle data, the policy type must be vehicle specific. The vehicle make should be submitted in the NCIC make format.

Vehicle Year: This is the model year of the vehicle. For vehicle specific policy types, this data element is required or the record will be rejected. If any policy type data element other than vehicle specific is present, the record will be rejected. If there is vehicle data, the policy type must be vehicle specific.

6.0 Record Matching Criteria

Primary Matching

6.1 VIN – A VIN validation program will extract the vehicle make and year from the VIN contained in the vehicle registration record and from the VIN submitted by the insurer. It is important that the jurisdiction use a VIN validation program as a “cleanup” measure prior to matching with the insurer VIN.

Secondary Matching

6.2 Vehicle Make and Year submitted by the insurer will be compared against the make and year extracted from the registration record VIN and the VIN submitted by the insurer.

6.3 Up to the first five characters of the first named insured’s last name and the first five characters of the last name of two additional operators will be compared to the first five positions of the vehicle registrant’s last name.

6.4 The driver’s license number of the first named insured and two additional operators will be compared to the driver’s license number of the vehicle registrant’s driver license number.

6.5 The date of birth of the first named insured and two additional operators will be compared to the date of birth of the vehicle registrant.

If a primary match is made, consider it good, otherwise go to the secondary match and if made, it will be assumed that the correct vehicle has been submitted, the insurance database will be updated to reflect that the vehicle is insured, and no error will be returned to the insurer. The intent is to accept the transmission when there is a high probability that the correct vehicle has been identified.

NOTE: As mentioned in Section 5.1, vehicle specific data elements (VIN, make, year) are required to be submitted with vehicle specific policies. If non-specific vehicles are required by statute to be reported, the named insured, address, and FEIN should be optional fields. VIN should be reported if available.

7.0 Error Codes and Messages

Table 15 – Reporting Error Codes in Appendix A (ALIR Implementation Guide) contains a complete listing and description of error codes that may be returned from the DMV to the insurer. These error codes are used to notify the insurer of a problem in the data. Error reporting requires the state to return the original data record sent by the insurer, along with a segment including an error code. Only records with errors are returned to the insurer.

A "U" indicates an unresolved, no hit, exception. The state has not filed the data. A matching record has not been found on the file within the state's insurance database. A numeric error code never follows the "U" error code; "U" always travels alone. The insurer should contact the customer to obtain verification of the data.

An "R" indicates a resolved, no hit, exception. The state has filed the data but did not match on all of the data fields. The data field(s) not matched upon is specified by the '###'. The '###' should be replaced by one of the numeric values from table 15 of the ALIR Implementation Guide.

A "E" indicates an edit error due to missing or invalid information in one or more of the data fields. The state has not filed the data. The data field(s) not matched upon is specified by the '###'. The '###' should be replaced by one of the numeric values from table 15 of the ALIR Implementation Guide. The non-matching data element(s) needs to be corrected. After the correction has been made, the entire policy record transaction should be resubmitted.

If the error is a "soft" error (see glossary), the insurer shall not be responsible for correction.

8.0 Testing

8.1 Overview

This testing section applies to all insurers who will be submitting insurance transactions via EDI, diskette, or cartridge tape.

An insurer sending insurance information to the state through EDI is known as a trading partner or as a Sender. A Sender may be an insurance company or a third party service bureau which sends the state data on behalf of one or more insurance companies.

To become a trading partner an insurer must meet all the business and system requirements, along with completing the testing defined in this section of the reporting guide.

There are four possible tests an insurer could be involved in:

- Connectivity testing: sending and receiving messages electronically.
- Transaction set testing: the 811 transaction document for formatting and the ability to receive 997 acknowledgments and 811 errors.
- Validation testing: the testing of data for errors.
- Magnetic tape cartridge or diskette testing: checking the format and data validity.

8.2 Testing Phases

Testing with the DMV will occur in three phases. Phase 1 will involve a small number of insurers and will be used to "iron out" the technical and operational issues involved with processing insurance transactions. Phase 2 will involve another larger group of insurers and will help refine the processes from Phase 1. Phase 3 will be used to stage the remaining insurers into the testing program.

8.3 Objectives

The objective of each test phase is to provide a comprehensive testing opportunity for insurers and the DMV. Insurers are requested to use their current production system to generate and send EDI transactions to the DMV using live production data via each company's service provider or through a servicing agent, as appropriate. Each test phase should imitate normal production as much as possible.

EDI testing includes three primary components. Transactions received by the DMV will be tested for:

1. Connectivity testing – sending and receiving messages electronically
2. EDI standards compliance – the 811 transaction document for formatting and the ability to receive 997 acknowledgments and 811 errors.
3. Data validation testing – the testing of the insurers data for matching to DMV data.
4. Verification process optional

8.4 Connectivity testing

There are several popular methods of communication currently in use. The following describes the general steps that will need to be completed:

- Set up: VAN – Mail boxes for DMV server and each partner need to be set up.
- Internet: Mail boxes for insurance partners on DMV's server need to be set up to receive the 811 documents from the trading partners. Also, DMV needs to know the trading partners' E-mail addresses to send back 811 documents to them.
- FTP (Internet) – Accounts, passwords, and filed folders for trading partners on the DMV's server and DMV on the trading partners' system.
- E-mail testing: Both the DMV and the trading partners will try to send E-mails with attachments of different sizes on different times to verify that the complete E-mails can reach to each other's mailbox.
- FTP testing: both the DMV and the trading partners will try to log on each other's system with the known account and password, then test to upload

and download files with different sizes to verify the FTP session is functioning properly.

8.5 EDI Standards Compliance Testing

The complete transaction set testing will be done between the insurance company and the DMV to determine that the data sent between each other is formatted correctly. For this testing, DMV may create some sample 811 transaction documents with different number of records and 997 acknowledgment. The following lists are the basic transaction steps to be tested.

- The insurer sends an 811 (NBS) to the DMV.
- The DMV sends back the 997 acknowledgment to the insurer.
- The DMV sends back the 811 with errors to the insurer.
- The insurer sends back the corrected 811 (NBS) to the DMV.
- The DMV sends an 811 (ACK) to the insurer. (optional)
- The insurer sends back the 811 (ACK or NIS) to the DMV. (optional)

8.6 Data validation test

Using data sent by the insurer for the EDI standards compliance testing, the DMV will create test cases representative of the insurance company's type of business by extracting actual records from the company's data.

The DMV will process the 811 file sent by the insurer with the test case file and return a functional acknowledgment 997 and 811 error document (if any exist).

The DMV will review the results of the file testing and determine the percentage of matched records. A detailed report will be generated listing each record in error and its associated error code. The report will also indicate the percent of total errors.

Test results will be sent to the Insurer. Upon completion of the test, the DMV will examine the nature of the errors, note any issues of importance, and pursue a remedy with the insurer. Testing will be reinitiated if the error percentage is determined to be unacceptable.

9.0 Glossary

The following is a list of definitions and acronyms used throughout the user guide. These definitions are intended to help clarify the terms used.

AAMVA: American Association of Motor Vehicle Administrators. AAMVA is a voluntary, nonprofit, tax-exempt, educational organization of state and provincial officials in the United States and Canada responsible for the administration and enforcement of laws pertaining to the motor vehicle and its use.

AAMVAnet: A network established AAMVA to provide cost effective communication networks.

ALIR: Automobile Liability Insurance Reporting.

ANSI ASC X12: The American National Standards Institute (ANSI), Accredited Standards Committee (ASC) X12. These are universal standards to enable all organizations to use a single agency (X12) to develop and maintain transaction sets.

Data Element: Fields used in records reported and received.

DMV: The Driver and Motor Vehicle department of the State.

Document: Refers to a single vehicle or non-vehicle policy.

EDI: Electronic Data Interchange is inter-company, computer to computer transmission of business data in a standard format. Information can be exchanged within minutes or hours.

Hard Error: This is an error that rejected the insurance company record or transaction set. The error must be corrected and the document or transaction resubmitted.

IICMVA: The Insurance Industry Committee on Motor Vehicle Administration

Mailbox : A unique "address" that provides an insurance company with the ability to receive and send information from trading partners.

Match: A match occurs when the insurance record corresponds to a vehicle record or customer record.

Message: A data file transmitted through EDI.

NAIC: The National Association of Insurance Commissioners

NCIC: The National Crime Information Center. The NCIC standard is used for vehicle make.

No Match: A no match occurs when a vehicle record or customer record cannot be found.

Policy: Motor vehicle liability coverage issued by an insurer. Identified as a specific vehicle policy, non-owner policy or a non-vehicle specific policy.

Record Reject: Insufficient or inconclusive insurance information received at DMV and is returned to insurance company for corrected information.

Soft Error: This is an error to data sent, but DMV kept the document in the insurance database file. It is used to notify insurance companies of a possible problem they should check into. It does not require any further transmissions on the insurance company's part.

Transaction: Sometimes referred to as transaction set. A transaction contains all of the data sent or received at one time. This will usually contain more than one document.

VAN: Value Added Network. Provides links among trading partners required by electronic communication functions such as EDI or e-mail.