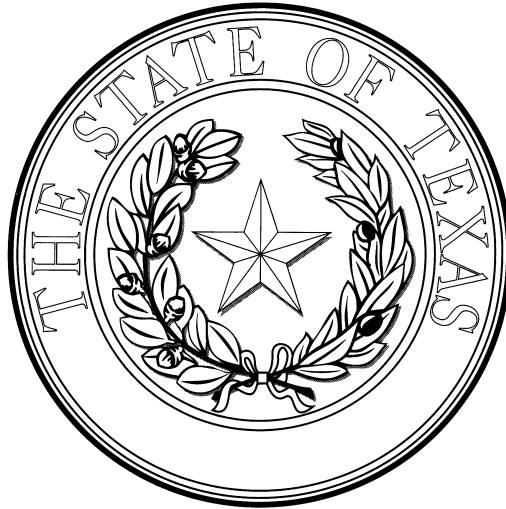


# State of Texas



## Financial Responsibility Verification Program

### Reporting Guide and User Manual *Version 1*

*Published by:*  
*Texas Department of Insurance*  
*& HDI Solutions, Inc.*

**Publication Date: December 11, 2006**

# Contents

## I. Introduction

- A. Background
  - 1. About HDI Solutions, Inc.
- B. Goal & Purpose

## II. Reporting Options

- A. Database Program
- B. Web Services Program

## III. Enrollment Guidelines

- A. Additional Enrollment Guidelines for the Web Services Program

## IV. Insurance Policies and Vehicles to Report

## V. Data Element Definitions

## VI. Database Program

- A. Reporting and Transmission Guidelines
  - 1. Frequency (include something about scheduled transmissions)
  - 2. Specifications
  - 3. Small Insurers
- B. Data Element Specifications
  - 1. Company Control Code
  - 2. Reporting Format
    - a. Option1 – Vendor Enhanced Format
    - b. Option 2 – Texas Interface
    - c. Option 3 – X12
    - d. Small Insurers
- C. Data Reports/Files
  - 1. Receipt File
  - 2. Acceptance File
  - 3. Rejection File
  - 4. Unmatched Data File
  - 5. Data Compliance File
- D. Error and Data Collection
  - 1. Error Corrections
    - a. Data File Format Errors
    - b. Unmatched Data Errors
- E. Testing Procedures
- F. Ongoing Verification Process
  - 1. Description
  - 2. Insurer requirements

## VII. Web Services Program

- A. Program Requirements
  - 1. Data Clean-up
  - 2. Match Rate
  - 3. Failure to Meet Requirements
  - 4. Appeal

- B. System Requirements
  - 1. Transmission & Infrastructure
  - 2. Match Algorithm
  - 3. Error Correction
  - 4. Disaster Recovery
  - 5. Up-time and Availability
  - 6. Data Confidentiality
- C. Performance Requirements
  - 1. Inquiry Response
  - 2. Monthly Registration Renewals
  - 3. Audits
  - 4. Maintenance
- D. Ongoing Verification Process
  - 1. Description
  - 2. Insurer requirements

## **VIII. Pilot Test Program**

### **IX. Delegation**

### **X. New Insurers**

### **XI. Penalties**

## **XII. Contacts and Resources**

- A. Financial Responsibility Verification Program Coordinator
- B. Vendor Technical Help Desk

## **XIII. Glossary**

## **XIV. Attachments**

- A. Attachment 1 – Insurance Company Profile Form
- B. Attachment 2 –MGA Profile Form
- C. Attachment 3 – 3<sup>rd</sup> Party Reporting Profile Form
- D. Attachment 4 – Sample Written Communication for Error Correction
- E. Attachment 5 – Frequently Asked Questions

# I. Introduction

## A. Background

The 79<sup>th</sup> Texas Legislature, Regular Session, passed Senate Bill 1670, which amended Chapter 601 of the Transportation Code by adding Subchapter N, which is entitled “Financial Responsibility Verification Program.” Section 601.452 of the Transportation Code, as added by SB 1670, provides that the Texas Department of Insurance (TDI), in consultation with the Texas Department of Public Safety (DPS), the Texas Department of Transportation (TxDOT) and the Texas Department of Information Resources (DIR) “shall establish a program for verification of whether owners of motor vehicles have established financial responsibility.”

As a result of SB 1670, TDI and the implementing agencies (DPS, TxDOT and DIR) issued an Invitation to Negotiation (ITN) on June 16, 2006. The Selected Vendor will develop, implement, operate and maintain Texas’ financial responsibility verification program.

This Reporting Guide and User Manual (Manual) specifies the insurers’ requirements and procedures for providing information under the verification program. The Manual directs insurers with respect to specifications for compliance with the program, including the time and manner of reporting, the appropriate submission procedures, test plans, error correction procedures, programming languages, transmission protocols, encryption formats, submission formats, system reports, and other technical requirements. The Manual is subject to change with respect to changes in technology and program experience.

The Financial Responsibility Verification Program is mandated by 28 TAC §§5.601 – 5.611, Division 7, which specifies program requirements, procedures, duties and obligations for insurers writing personal automobile insurance policies in the State of Texas.

### 1. About HDI Solutions, Inc.

**HDI Solutions, Inc. (HDI)** is the developer and ongoing administrator of Alabama’s Financial Responsibility Verification Program. HDI also provides similar services for a variety of state clients in other industries. In addition, HDI provides extensive data matching, warehousing, and mining services for 16 state Medicaid programs with expenditures of more than \$61 billion, or approximately one quarter of the nation’s \$250 billion Medicaid expense.

HDI has teamed with Insure-Rite, Inc., and Verification Solutions, Inc (VeriSol) to build the **eNSURE\*SMART™** financial responsibility verification system for the State of Texas. Insure-Rite created the nation’s first system to *proactively* identify uninsured motorists as well as the nation’s first real-time 24/7/365 provision of insurance verification services to law enforcement. VeriSol is the developer of VeriSol Vehicle Insurance Verification (VIV) software to perform online, real-time verification of vehicle insurance based on the specifications developed by the Insurance Industry Committee on Motor Vehicle Administration (IICMVA).

## B. Goal & Purpose

According to SB 1670, the program established must be the program most likely to reduce the number of uninsured motorists in this State; operate reliably; be cost-effective;

sufficiently protect the privacy of the motor vehicle owners; sufficiently safeguard the security and integrity of information provided by insurance companies; identify and employ a method of compliance that improves public convenience; provide information that is accurate and current; and be capable of being audited by an independent auditor.

With a goal to reduce the number of uninsured motorists in this State, the implementing agencies believe the combination of an event based verification process with an ongoing verification process will produce the most significant results.

Event Based Process: An event based process will allow Users to obtain accurate and timely insurance information on a given vehicle and/or driver promptly upon request. Users include the Texas Law Enforcement Telecommunications System (TLETS), TxDOT, the Driver License Division of DPS (through TLETS), vehicle inspection stations, and future authorized users. The requirements of the event based process shall be met primarily through the creation of an insurance verification database, which requires insurers to report insurance policy records directly to the Vendor. However, insurers have the option to fulfill verification requirements through a web services program, following successful development and testing phases.

Ongoing Verification Process: An ongoing verification process will monitor and report on the financial responsibility of Texas drivers on an ongoing basis.

## II. Reporting Options

The verification program requires an insurer to use a Vendor maintained database program or to elect to develop and maintain the insurer's own web services program. State Users will access both programs through the Vendor. In the database program, the Vendor will maintain insurer submitted data. In the web services program, the insurer will link its' data to the Vendor. TDI will determine if an insurer's web services program meets the requirements.

### A. Database Program

Insurers using the database system will submit personal automobile insurance policy records to the Vendor. The submissions will be weekly and in compliance with the format and technical requirements set forth in this Manual. The Vendor will maintain the information in a database and perform matching functions for both the event based and ongoing verification processes. Additionally, the Vendor will check the insurer information for errors against TxDOT and DPS maintained vehicle and driver information databases and report errors to the insurer. The insurer will then be responsible for evaluating the data errors and making any corrections that are possible. The insurer will be responsible for communicating with its policyholder with respect to information shown to be in error. The Vendor will work with carriers having less than 1,000 in-force policies to develop cost effective database reporting procedures as necessary.

### B. Web Services Program

As an alternative to the database program, insurers may elect to use the web services program for compliance with the verification program. The web services program will require the insurer to receive and respond to both event based insurance verification inquiries and ongoing insurance verification inquiries. The insurer's web services program will link the insurer's insurance policy information to the Vendor's system, and through the Vendor to user connections, to allow for event based and ongoing verification processes. The web services program will require the insurer to design, develop, maintain, and submit specifications for a web services program application that is consistent with the system and performance requirements specified in this Manual. These requirements include checking and correcting the insurer's information against TxDOT data to obtain the required match rates. As with the database program, insurers will be responsible for evaluating errors and communicating with their policyholders. Insurers electing to use the web services program must also comply with the development timelines specified in Section III, Item A. Any insurer that elects to use the web services program for compliance with the verification program will be required to use the database program if the insurer cannot meet or maintain the web services program timelines and requirements.

### **III. Enrollment Guidelines**

Regardless of the reporting option selected, each insurer must submit an Insurance Company Profile Form (see Attachments 1, 2 and 3) prior to testing with the vendor. To determine hardware and processing requirements, it is necessary for all insurers to declare the reporting format which will be used. The following information should be included on the Company Profile Form:

- a. Company Name
- b. Interface Option (Vendor Enhanced Format, Texas Interface, X12, web services)
- c. Technical and Business Contacts (name, E-mail, and phone)
- d. Number of Policies (estimated)
- e. Fixed or Delimited Format
- f. Preferred Transmission Day and Time

#### **A. Additional Enrollment Guidelines for the Web Services Program**

1. Each web services insurer must meet the requirements of the web services program through both the event based process and the ongoing verification process.
2. Each insurer electing to use the web services program for the event based and ongoing verification processes must provide written notice to TDI per the requirements of 28 TAC §§5.601 – 5.611. Written notice must name the insurer, or each insurer in a group, be signed by an officer of the company or group, and be submitted to the Financial Responsibility Verification Program Coordinator, Property and Casualty Program, Mail Code 105-5C, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104. All submissions to TDI related to this program must be made to the Financial Responsibility Verification Program Coordinator (Coordinator) unless otherwise specified.
3. Not later than 30 calendar days after the insurer notifies TDI of its election to become a web services insurer, the insurer must submit to the Coordinator for approval written documentation and specifications addressing Section VII of this Manual. Written documentation and specifications must include a detailed project plan including a timeline, a full description of the proposed web services solution, and other information necessary to establish compliance with the web services program requirements. If it is determined as specified in Section VII, Item A(3) of this Manual that the insurer's submission does not propose a solution that will meet all system and performance requirements, the insurer must begin program development to meet requirements of the database program as detailed in Section VI of this Manual.
4. If an insurer's web services documentation and specifications have been determined to meet the system requirements of Item 3 above of this section and the insurer has obtained the appropriate TDI approval, the insurer must within 90 calendar days after receiving written notice of TDI approval as required in Item 3 of this section submit to the Coordinator for approval documentation showing that the web services insurer is capable of meeting all system and performance requirements detailed in Section VII of this Manual. Such documentation must include a detailed progress report in compliance with the submitted project plan and timeline, and other information necessary to establish compliance with the web services program requirements. If it is determined as specified in Section VII, Item A(3) of this Manual that the insurer's submission does not meet all system and performance requirements, the insurer must

begin program development to meet requirements of the database program as detailed in Section VI of this Manual.

5. Each insurer that has met the system and performance requirements of Item 4 above of this section must within 180 calendar days after receiving written notice of TDI approval as required in Item 3 of this section submit to the Coordinator for approval documentation showing the insurer is able to meet all system and performance requirements detailed in Section VII of this Manual. Such documentation shall include testing methodology, testing data sets, testing results, and other information necessary to establish compliance with the web services program requirements. If it is determined as specified in Section VII, Item A(3) of this Manual that the insurer's submission does not meet all system and performance requirements, the insurer shall have 30 calendar days to comply with the database program requirements in Section VI of this Manual and begin reporting data.



## **IV. Insurance Policies and Vehicles to Report**

In accordance with SB 1670, this program is currently limited to those insurers providing motor vehicle liability insurance under a personal automobile insurance policy in this state. The program will be implemented for vehicles and/or drivers covered under commercial insurance policies in the future when the implementing agencies determine that it is feasible. However, vehicles and/or drivers covered under a commercial policy may currently be reported at the insurer's option. Optional reporting of commercial vehicles and/or drivers must be done in the manner required in this Manual.

### **Vehicles Included:**

Transportation Code Section 502.153 requires Financial Responsibility on all vehicles, except trailers and semi trailers, registered for on-road use unless the vehicle qualifies for a special registration class. Special registration classes include "antique", "parade" or "former military vehicle." Insurers are not required to distinguish covered vehicles by registration class. All vehicles covered under a personal automobile insurance policy must be reported unless the insurer is able to determine that the vehicle is not subject to Texas registration for on-road use. The Vendor will determine what vehicles may be excluded based on registration class.

### **Policies Included:**

- Personal Automobile Policies
- Non-owner Policies
- Mileage-based Policies
- Commercial Automobile Policies (optional to insurer)

## V. Data Element Definitions

**Table 1: Data Element Definitions**

Data Field	Definition
Company Control Code	Vendor Primary Key (assigned to Insurance Company by Vendor)
Date of Birth (YYYYMMDD)	The date of birth of the driver.
Driver Indicator ("I" = Included, "E" = Excluded)	Indicates if driver is covered by the policy or excluded for a particular vehicle.
Driver License Number	The driver license number, assigned by the state that issued it, to the driver named on the same record who is covered to drive the vehicle specified on the same record.
Driver License State (Postal Abbreviation)	The 2-digit state abbreviation of the state which issued the driver license number specified in the "Driver License Number" element.
First Name	The first name of an individual or the remainder of a company name that would not fit in the Last Name element. The business names should start in the Last Name element and overflow into the First Name element. If there is no overflow of the Last Name element into the First Name element, leave the First Name element empty.
Garaged Address	The full street address in the primary address at which the vehicle is garaged or based.
Garaged City	The city in the primary address at which the vehicle is garaged or based.
Garaged State (Postal Abbreviation)	The 2-digit state abbreviation in the primary address at which the vehicle is garaged or based.
Garaged Zip	The ZIP+4 in the primary address at which the vehicle is garaged or based. If only 5 digit ZIP available, last 4 spaces should be zero filled.
Last Name	The last name of an individual or the start of a company name.
Policy ID	An insurer provided key or ID that would allow a record(s) in one table to be related to a record(s) in another table.
Mailing Address	The full street address in the mailing address on the policy.
Mailing City	The city in the mailing address on the policy.
Mailing State (Postal Abbreviation)	The 2-digit state abbreviation in the mailing address on the policy.
Mailing Zip	The ZIP+4 in the mailing address on the policy. If only 5 digit ZIP available, last 4 spaces should be zero filled.

Middle Name	The middle name of an individual.
Name Suffix	The suffix of an individual (i.e. "Junior" or "Senior").
Odometer Expiration	For mileage based policies, the odometer reading at which the policy expires.
Policy Effective Date (YYYYMMDD)	The earliest date at which uninterrupted, continuous, coverage started for the vehicle/driver combination specified on the record. If the policy lapsed or a vehicle was dropped from it and was later reinstated this date should be the reinstatement date of the policy or vehicle, respectively.
Policy Expiration Date (YYYYMMDD)	The date on which coverage expires.
Policy Number	The policy number assigned by the Insurer.
Policy Type ("P" = Personal, "C" = Commercial, "N" = Non-Owner, "M" = Mileage Based)	Indicate Personal, Commercial, Non-owner or Mileage Based policies.
Record Count	The total number of records submitted for a specified record type.
Submission Date (YYYYMMDD)	The date of submission for a transmittal.
User Defined Field	For Insurer use for tracking or other purpose. Not used or altered by Vendor.
Vehicle Coverage Effective Date (YYYYMMDD)	The earliest date at which uninterrupted, continuous, coverage started for the vehicle specified in the record. If the vehicle was dropped and later reinstated, this date should be the reinstatement date of the vehicle.
Vehicle Make	The name of the manufacturer (or an abbreviation of it) of the vehicle (i.e. "Ford", "Chevy", "Mitsub").
Vehicle Model	The name of the vehicle model (i.e. "Mustang", "Impala", "Eclipse").
Vehicle Model Year (YYYY)	The year the vehicle was manufactured.
Vehicle VIN Number	The Vehicle Identification Number assigned to the vehicle by the manufacturer that is covered by the policy represented by the same record.

## VI. Database Program

### A. Reporting and Transmission Guidelines

#### 1. Frequency

Each database insurer must begin compliance with this Manual beginning not earlier than January 1, 2007 and not later than June 30, 2007.

Each database insurer shall submit weekly data on all of the insurer's personal automobile insurance policies in force in Texas.

The weekly submission date and time shall be specified by the Vendor and shall be approximately seven calendar days apart.

#### 2. Specifications

The encryption method will be File Transfer Protocol (FTP) with Pretty Good Privacy (PGP).

#### 3. Small Insurers

Vendor will develop specific database program reporting procedures for insurers with less than 1,000 issued and outstanding personal automobile insurance policies. Small insurers seeking an alternative reporting format should contact the Vendor to make arrangements.

### B. Data Element Specifications

#### 1. Company Control Code

The Company Control Code is an Alpha-Numeric code supplied by the Vendor to be used to distinguish where the source of data is coming from down to the company, MGA or County Mutual. The Vendor will assign this number to each company following the submission of the Company Profile Form.

#### 2. Reporting Format

Regardless of the format selected, the insurer must coordinate development efforts with the Vendor's technical staff to ensure that data is correctly submitted and related.

##### a. Option 1 — Vendor Enhanced Format

Insurers shall submit the full book of business weekly. Insurer shall generate one record per driver, vehicle, and policy combination. For example, if policy number 12345 insured drivers Jane and John Doe on a 2004 Jeep and a 2005 GMC, then four records with the following combinations would be created:

- Jane Doe, 2004 Jeep, policy 12345
- Jane Doe, 2005 GMC, policy 12345
- John Doe, 2004 Jeep, policy 12345
- John Doe, 2005 GMC, policy 12345

#### File Naming Convention

Each file submitted must contain records for only one company control code. A company may submit one or more files. The file name must consist of the

Company Control Code, Period Processing Date, File Number, Total Record Count, and reporting format delimited by underscores. The date format must be YYYYMMDD and the File Number must be unique among a set of files submitted for a single company. For example, if the Company Control Code is ABCD, the next processing period begins November 6, 2006, and the company split one million records equally between two files, the file names should be:

ABCD\_20061106\_1\_500000\_E.txt  
ABCD\_20061106\_2\_500000\_E.txt

The recommended file extension is txt. The "E" distinguishes the reporting format as the Vendor Enhanced Format.

### **File Compression and Encryption**

Compression of the data files is highly recommended; Encryption of the data files is required. If using both compression and encryption, the file should first be compressed and then encrypted. By compressing the file first, the file size will be greatly reduced and improve transfer time. The encryption will also perform faster on a smaller compressed file than the raw text file. The name of the file should follow the convention described above. The expected extension is 'pgp' (or any other appropriate extension for encrypted files such as 'asc' agreed upon by the vendor).

### **Field Format Specification**

Records can be created with either delimited or fixed length fields. In both cases, each record should be followed by a carriage return character followed by a line feed character.

It is highly recommended that delimiters be used as opposed to fixed length. Delimited records are more flexible, easier to process, and less problematic when it comes to interpreting padding characters that must be used with fixed length records. In the case of uncompressed files, the volume of raw data is generally less with delimited records since most fields don't require the full length that fixed fields must fill. Less volume results in reduced file transfer time.

The '|' character should be used as the delimiter.

If the insurer is unable generate delimited records, they may submit fixed length records using spaces to pad field values that are shorter than the required field length. The total length of a fixed length record is 430 characters plus a carriage return followed by a line feed character (432 total).

If there is no information available or applicable for a particular element, including for optional elements, it should NOT be filled with comments or notes like "UNKNOWN", "N/A", "FLEET", etc. In the case of delimited records, there should be no data between the delimiter for the field. In the case of fixed records, the field should be padded with spaces.

**Table 2: Data Element Reporting Specifications**

Field Number	Description	Type	Mandatory or Optional	Position*	Size
<b><i>Insurance Record</i></b>					
0	Company Control Code	Alpha-Numeric	M	0-9	10
1	User Defined Field	Alpha-Numeric	O	10-29	20
2	Policy Number	Alpha-Numeric	M	30-69	30
3	Policy Type (“P” = Personal, “C” = Commercial, “N” = Non-Owner, “M” = Mileage Based)	Alpha	M	70	1
4	Policy Effective Date (YYYYMMDD)	Numeric	M	71-78	8
5	Policy Expiration Date (YYYYMMDD)	Numeric	M	79-86	8
6	Vehicle/Non-owner Effective Date (YYYYMMDD)	Numeric	M	87-94	8
7	Mailing Address	Alpha-Numeric	M	95-134	40
8	Mailing City	Alpha	M	135-159	25
9	Mailing State (Postal Abbreviation)	Alpha	M	160-161	2
10	Mailing Zip	Numeric	M	162-170	9
11	Vehicle VIN Number	Alpha-Numeric	M	171-200	30
12	Vehicle Make	Alpha-Numeric	M	201-206	6
13	Vehicle Model	Alpha-Numeric	O	207-221	15
14	Vehicle Model Year (YYYY)	Numeric	M	222-225	4
15	Odometer Expiration (** Mandatory if Policy Type = “M”)	Numeric	M**	226-232	7
16	Garaged Address	Alpha-Numeric	O	233-272	40
17	Garaged City	Alpha	O	273-297	25
18	Garaged State (Postal Abbreviation)	Alpha	O	298-299	2
19	Garaged Zip	Numeric	O	300-308	9

20	Driver Indicator ("I" = Included, "E" = Excluded)	Alpha	O	309	1
21	Last Name	Alpha	M	310-339	30
22	First Name	Alpha	M	339-369	30
23	Middle Name	Alpha	O	370-399	30
24	Driver License State (Postal Abbreviation) (Use "IT" for international licenses)	Alpha	M	400-401	2
25	Driver License Number	Alpha-Numeric	M	402-422	21
26	Date of Birth (YYYYMMDD)	Numeric	M	423-430	8

\* The Position column in Table 2 is applicable to fixed length records only.

```
ABCD|UserDefinedField|P|12345|20060601|20080601|20060801|Anystreet|Anytown|TX|11111|ZJ123456789|Jeep|Cherokee|2004|Anystreet|Anytown|TX|11111|I|Doe|Jane|Ann|TX|5555566666|19651201
```

**Fixed Record Sample**

```
ABCD*****UserDefinedField****P12345*****
200606012008060120060801Anystreet*****
***Anytown*****TX11111***ZJ123456789*****
*****Jeep**Cherokee*****200476543**Anystreet*****
*****Anytown*****TX11111****IDoe**
*****Jane*****Ann**
*****TX5555566666*****19651201
```

**b. Option 2 – Texas Interface**

Insurer shall submit full book of business weekly in normalized form.

**File Naming Convention**

Each file submitted must contain records for only one company. A company may submit one or more files. The file name must consist of the Company Control Code, Period Processing Date, File Number, Total Record Count and Record Type (Vehicle (V), Driver (D)) delimited by underscores. The date format must be YYYYMMDD and the File Number must be unique among a set of files submitted for a single company. For example, if the Company Control Code is ABCD, the next processing period begins November 6, 2006, and the company split one million Vehicle records equally between two files, the file names should be:

```
ABCD_20061106_1_500000_V.txt
ABCD_20061106_2_500000_V.txt
```

The recommended file extension is txt.

### **File Compression and Encryption**

Compression of the data files is highly recommended; Encryption of the data files is required. If using both compression and encryption, the file should first be compressed and then encrypted. By compressing the file first, the file size will be greatly reduced and improve transfer time. The encryption will also perform faster on a smaller compressed file than the raw text file. If the insurer must send files that are encrypted only (not explicitly compressed), it will be supported; however, this needs to be communicated to the vendor so that it can be configured in the system correctly. The name of the file should follow the convention described above. The expected extension is 'pgp' (or any other appropriate extension for encrypted files such as 'asc' agreed upon by the vendor).

### **Field Format Specification**

Records can be created with either delimited or fixed length fields. In both cases, each record should be followed by a carriage return character followed by a line feed character.

It is highly recommended that delimiters be used as opposed to fixed length. Delimited records are more flexible, easier to process, and less problematic when it comes to interpreting padding characters that must be used with fixed length records. In the case of uncompressed files, the volume of raw data is generally less with delimited records since most fields don't require the full length that fixed fields must fill. Less volume results in reduced file transfer time.

The '|' character should be used as the delimiter.

If the insurer is unable generate delimited records, they may submit fixed length records using spaces to pad field values that are shorter than the required field length. For the vehicle records, the total length of a fixed length record is 252 characters plus a carriage return followed by a line feed character (254 total). For the driver records, the total length of a fixed length record is 317 characters plus a carriage return followed by a line feed character (319 total).

If there is no information available or applicable for a particular element, including for optional elements, it should NOT be filled with comments or notes like "UNKNOWN", "N/A", "FLEET", etc. In the case of delimited records, there should be no data between the delimiter for the field. In the case of fixed records, the field should be padded with spaces.



**Table 3: Data Element Reporting Specifications**

Field Number	Description	Type	Mandatory or Optional	Position*	Size
<b>Vehicle Record</b>					
0	Company Control Code	Alpha-Numeric	M	0-9	10
1	User Defined Field	Alpha-Numeric	O	10-29	20
2	Policy Type (“P” = Personal, “C” = Commercial, “N” = Non-Owner, “M” = Mileage Based)	Alpha	M	30	1
3	Policy Number	Alpha-Numeric	M	31-60	30
4	Policy ID (Use if policy number is not unique; otherwise repeat policy number)	Alpha-Numeric	M	61-90	30
5	Policy Effective Date (YYYYMMDD)	Numeric	M	91-98	8
6	Policy Expiration Date (YYYYMMDD)	Numeric	M	99-106	8
7	Vehicle Coverage Effective Date (YYYYMMDD)	Numeric	M	107-114	8
8	Vehicle VIN Number	Alpha-Numeric	M	115-144	30
9	Vehicle Make	Alpha-Numeric	M	145-150	6
10	Vehicle Model	Alpha-Numeric	O	151-165	15
11	Vehicle Model Year (YYYY)	Numeric	M	166-169	4
12	Odometer Expiration (** Mandatory if Policy Type = “M”)	Numeric	M**	170-176	7
13	Garaged Address	Alpha-Numeric	O	177-216	40
14	Garaged City	Alpha	O	217-241	25
154	Garaged State (Postal Abbreviation)	Alpha	O	242-243	2
16	Garaged Zip	Numeric	O	244-252	9
<b>Driver Record</b>					
0	Company Control Code	Alpha-Numeric	M	0-9	10
1	User Defined Field	Alpha-Numeric	O	10-29	20

2	Policy Type (“P” = Personal, “C” = Commercial, “N” = Non-Owner, “M” = Mileage Based)	Alpha	M	30	1
3	Policy Number	Alpha-Numeric	M	31-60	30
4	Policy ID (Use if policy number is not unique; otherwise repeat policy number)	Alpha-Numeric	M	61-90	30
5	Policy Effective Date (YYYYMMDD)	Numeric	M	91-98	8
6	Policy Expiration Date (YYYYMMDD)	Numeric	M	99-106	8
7	Driver Coverage Effective Date (YYYYMMDD)	Numeric	M	107-114	8
8	Driver Indicator (“I” = Included, “E” = Excluded)	Alpha	O	115	1
9	Last Name	Alpha	M	116-145	30
10	First Name	Alpha	M	146-175	30
11	Middle Name	Alpha	O	176-205	30
12	Name Suffix	Alpha-Numeric	O	206-210	5
13	Mailing Address	Alpha-Numeric	M	211-250	40
14	Mailing City	Alpha	M	251-275	25
15	Mailing State (Postal Abbreviation)	Alpha	M	276-277	2
16	Mailing Zip	Numeric	M	278-286	9
17	Driver License State (Postal Abbreviation) (Use “IT” for international licenses)	Alpha	M	287-288	2
18	Driver License Number	Alpha-Numeric	M	289-309	21
19	Date of Birth (YYYYMMDD)	Numeric	M	310-317	8

\* The Position column in Table 3 is applicable to fixed length records only.

## Vehicle Record

### Delimited Record Sample

```
ABCD|UserDefinedField|P|12345|12345|20060601|20080601|
20060801|ZJ123456789|Jeep|Cherokee|2004|76543|Anystree
t|Anytown|TX|11111
```

### Fixed Record Sample

```
ABCD*****UserDefinedField****P12345*****
*****12345*****20060601200806012
0060801ZJ123456789*****Jeep**Cherokee**
****200476543**Anystreet*****
*Anytown*****TX11111
```

## Driver Record

### Delimited Record Sample

```
ABCD|UserDefinedField|P|12345|20060601|20080601|200608
01|I|
Doe|John|A|III|Anystreet|Anytown|TX|11111|TX|555556666
6|19651201
```

### Fixed Record Sample

```
ABCD*****UserDefinedField****P12345*****
*****12345*****20060601200806012
0060801IDoe*****John*****
*****A*****III**Anyst
reet*****Anytown*****
*****TX11111****TX555556666*****19651201
```

### c. Option 3 – X12

X12 Format via FTP with PGP. Contact the Vendor for further information and specifications.

### d. Small Insurers

Vendor will develop specific database program reporting procedures for insurers with less than 1,000 issued and outstanding personal automobile insurance policies. Small insurers seeking an alternative reporting format should contact the Vendor to make arrangements.

## C. Data Reports/Files

### 1. Receipt File

Upon the vendor's receipt of a file, a 'receipt' file will be made available to the vendor via E-mail and/or in the vendor's 'output' FTP directory.

The file naming convention for the receipt of the file in the FTP directory is:

```
ABCD_20061106_1_500000_E_REC.txt
ABCD_20061106_1_500000_V_REC.txt
ABCD_20061106_1_500000_D_REC.txt
```

Where REC signifies that this file represents a successful FTP transmission of the file indicated by all text preceding REC. This file will not contain any content. Its existence will signify that the vendor has received the file and that it has been put in the queue for processing.

## 2. Acceptance File

Once all data has been successfully processed in a file, an 'acceptance' file will be sent to the insurer. It will include unmatched data and data compliance summaries and will be reported to the insurer via E-mail and/or the receipt of a file in the insurer's 'output' FTP directory.

The file naming convention for the acceptance file is:

```
ABCD_20061106_1_500000_E_ACC.txt  
ABCD_20061106_1_500000_V_ACC.txt  
ABCD_20061106_1_500000_D_ACC.txt
```

Where ACC signifies the type of records contained in a file (unmatched data and data compliance error summary records). The format of the data will be name-value pairs delimited by the '=' character.

Example:

```
UnmatchedRecords=1234  
MatchRate%=95  
LastNameMissing=12
```

A comprehensive error/summary list will be finalized during the testing phase of the project.

## 3. Rejection File

In the event that a file cannot be successfully processed due to decryption, decompression, field format, or poor overall data quality, a 'rejection' file will be sent to the insurer via E-mail and/or the receipt of a file in the insurer's 'output' FTP directory.

The file naming convention for the rejection file is:

```
ABCD_20061106_1_500000_E_REJ.txt  
ABCD_20061106_1_500000_V_REJ.txt  
ABCD_20061106_1_500000_D_REJ.txt
```

Where REJ signifies the type of records contained in a file (file error conditions). The format of the data will be name-value pairs delimited by the '=' character.

Example:

```
DecryptionError=true  
CompressionError=true
```

A comprehensive error list will be finalized during the testing phase of the project.

#### 4. Unmatched Data File

After an insurer's submission has been processed, records that could not be matched will be identified. A match rate will be determined for each reporting insurer from this data. An 'unmatched data summary report' will be made available that will show match rate statistics. Additionally, each individual unmatched record will be made available to the insurer to allow them an opportunity to correct the data. The insurer will be sent the unmatched records once immediately after the processing period and then again 60 days later if that record remains unmatched.

There will not be any error codes associated with unmatched records as the Vendor will not be able to tell why the record wasn't matched.

The file naming convention for the unmatched data detail record is:

```
ABCD_20061106_1_500000_E_UMDet_0.txt  
ABCD_20061106_1_500000_V_UMDet_0.txt  
ABCD_20061106_1_500000_D_UMDet_0.txt
```

```
ABCD_20061106_1_500000_E_UMDet_60.txt  
ABCD_20061106_1_500000_V_UMDet_60.txt  
ABCD_20061106_1_500000_D_UMDet_60.txt
```

```
ABCD_20061106_1_500000_E_UMDet_61.txt  
ABCD_20061106_1_500000_V_UMDet_61.txt  
ABCD_20061106_1_500000_D_UMDet_61.txt
```

Where UMDData signifies the type of records contained in file (unmatched records), 0 signifies the first notification of unmatched records, 60 signifies the number of days that the records have been continually unmatched, and 61 signifies that the records have been continually unmatched for over 60 days.

#### 5. Data Compliance File

Data element omissions will be tracked at a record level for submission files. An 'incomplete data summary report' will be made available to insurers, and this information will also be reported to TDI. It will contain statistics on the number of records that are missing data for the submission period. Additionally, all individual records with missing fields can be made available upon request to insurers. The specific index of a missing field within a record and the error code will be appended to the end of the original record and be returned to the insurer. The following error code is applicable to missing fields:

Error Code	Description
100	Field not present

Each error indicator will be of the format [i^#] where i is the index of the field and # is the error number. For example, if field number 12 was omitted, the error code appended to the end of the record would be [12^100]. A bracketed error indicator for each missing field element will be appended directly to the end of the original record. Due to the addition of a potentially endless number of possible errors, these error records will be a variable length record beginning at this last 'error field'.

The file naming convention for the data compliance detail record is:

ABCD\_20061106\_1\_500000\_E\_CompDet.txt

Where CompDet signifies the type of records contained in a file (records that are not compliance with the file specification).

#### **D. Error and Data Correction**

The Vendor's matching software was built on the philosophy that data will at times be partial, incorrect, or incomplete and was designed to accommodate this reality. During the data collection phase when the full book of business is collected from each insurance company, data is only rejected by the Vendor's matching software when the file format is wrong, the file is corrupt, or the data corresponds with an incorrect state. The Vendor's matching software employs a series of up to 14 algorithms in a cascading data matching process. In addition, a proprietary internal audit application will be used to audit the accuracy of the matching process that is performed each month.

##### **1. Error Corrections**

The database insurer shall comply with the data correction procedures listed with each error type.

Each database insurer must maintain a record of its data correction activities and determinations for review by the Vendor and TDI for four years. The records may be stored electronically.

Each database insurer must achieve and maintain a 95 percent match rate by January 1, 2008 and a 98 percent match rate by January 1, 2010. The Vendor shall provide reports detailing the match rate for each database insurer. The match rate will be calculated as the percentage of reported insurance policy records matched to registered vehicles divided by the total number of all insurance policy records received.

Each database insurer must assist the Vendor in auditing the database program, which may include responding to Vendor requests for confirmation of policy records matched to a registered vehicle using cascading data matching. Cascading data matching may not result in a 100 percent match of all fields, but a match may be made with a reasonable degree of accuracy.

Each database insurer must maintain a record of its data correction activities and determinations for review by the Vendor and TDI for four years. The records may be stored electronically.

##### **a. Data File Format Errors**

- i. the database insurer will have three business days to correct errors and resubmit the entire data file to the Vendor

##### **b. Unmatched Data Errors**

- i. the Vendor will send the insurer up to two non-match notices per VIN during a 60 calendar day period:

1. upon receipt of the first non-match notice from the Vendor, including notice for errors beyond the database insurer's authority to correct, the insurer must:
  - a. initiate a communication requesting confirmation of existing information or corrected information to the policyholder or the policyholder's insurance agent within 10 calendar days of receipt of the non-match notice;
  - b. communication is not required to be written; see Appendix 2 for sample written communication format and content;
  - c. request that the policyholder or the policyholder's insurance agent respond to the communication within 14 calendar days; however, the insurer shall not be subject to, nor shall the insurer subject the policyholder or the policyholder's insurance agent to, any penalty for the policyholder's non-compliance; and
  - d. send any correction(s) received from the policyholder or the policyholder's insurance agent to the Vendor within the next two regularly scheduled data transmissions; and
  - e. upon receipt of the second notice of the non-match error from the Vendor, including notice for errors beyond the database insurer's authority to correct, the insurer may, but is not required to, send additional notices to the policyholder or the policyholder's insurance agent concerning that non-match error.

#### **E. Testing Procedures**

All insurers are required to participate in a testing phase. Insurers are expected to complete internal testing of their systems prior to engaging in the testing process with the Vendor. If an insurer is reporting through a Reporting Entity, that Reporting Entity must successfully complete the testing procedures. Following a successful testing process, the insurer or Reporting Entity will be certified by the Vendor to begin weekly data submissions.

Testing should be conducted with "real" data. The insurer or Reporting Entity must complete the following testing phases:

1. Connectivity and Transmittal Testing
  - a. Insurer tests access to Vendor system. This will be the connectivity testing where by a small sample file will be uploaded to a designated secured FTP site. This can happen prior to having an extract coded.
  - b. Test transmission of data. This will be an actual sample file conforming to naming convention with at least one record included. This should happen in the insurer's development phase prior to the completion of their extract coding to ensure that they are sending the correct data.
  - c. Test adherence to file naming convention (file validation).
  - d. Test insurer's ability to receive confirmation message/file.
2. Validation and Matching Testing
  - a. Send sample file (500 records or a full Book of Business). This ensures that one record per vehicle driver combination per household is being sent.
  - b. Test decryption and decompression

- c. Test data format for errors
  - d. Test data for matching functions
    - 90% of records in the test sample must process as expected, based on test cases
  - e. Test insurer's ability to receive acceptance message/file
3. Error Receipt Testing
    - a. Test insurer's ability to receive compliance detail file(s)
    - b. Test insurer's ability to receive unmatched detail file(s)
  4. Full System and Performance testing

## **F. Ongoing Verification Process**

### **1. Description**

The ongoing verification process will monitor and report on the financial responsibility of Texas drivers on an ongoing basis. The Vendor will track the insurance status of all registered vehicles. After a vehicle is listed as uninsured for nine (9) consecutive weeks, the Vendor will begin a letter campaign in an attempt to contact the registered owner and verify insurance status or encourage insurance coverage to be purchased.

In the event a registered owner is mistakenly identified as uninsured, the letter of non-compliance will instruct the owner to compare several key pieces of information to identify the discrepancy. The letter will list the VIN and additional vehicle and owner information contained in TxDOT's database. The registered owner will be asked to compare that vehicle information to their insurance policy, and to confirm the actual VIN on the vehicle. The letter will contain additional instructions for data corrections.

### **2. Insurer requirements**

There are no additional requirements related to the ongoing verification process for database insurers. However, Texas consumers who receive a letter of non-compliance from the State may contact their insurer for assistance or to confirm/correct policy information. Insurer should maintain adequate customer service to handle these customer issues.



## VII. Web Services Program

### A. Program Requirements

The web services program will require the insurer to receive and respond to both event based insurance verification inquiries and ongoing insurance verification inquiries. The insurer's web services program will link the insurer's insurance policy information to the Vendor's system, and through the Vendor to user connections, to allow for event based and ongoing verification processes. The web services program will require the insurer to design, develop, maintain, and submit specifications for a web services program application that is consistent with the system and performance requirements specified in this Manual. These requirements include checking and correcting the insurer's information against TxDOT data to obtain the required match rates. As with the database program, insurers will be responsible for evaluating errors and communicating with their policyholders. Insurers electing to use the web services program must also comply with the development timelines specified in Section III, Item A. Any insurer that elects to use the web services program for compliance with the verification program will be required to use the database program if the insurer cannot meet or maintain the web services program timelines and requirements.

#### 1. Data Clean-up

Following TDI approval as required in Section III, Item A(5) of this Manual, each web services insurer shall begin a data clean-up phase. Required data clean-up procedures include:

- a. the web services insurer will receive a file of registered vehicles from TxDOT and must match insurance policy records to the file of registered vehicles;
- b. insurance policy records that cannot be matched to a registered vehicle will be required to undergo a data correction process, including for errors beyond the web services insurer's authority to correct;
- c. as necessary, the web services insurer must contact the policyholder to confirm or correct information. The insurer:
  - i. must provide an initial notice to a policyholder or the policyholder's insurance agent within 10 calendar days of discovering the information indicated to be in error;
  - ii. communication is not required to be written; see Appendix 2 for sample written communication format and content;
  - iii. must request that the policyholder or the policyholder's insurance agent respond to the communication within 14 calendar days; however, the insurer shall not be subject to, nor shall the insurer subject the policyholder to, any penalty for the policyholder's non-compliance;
  - iv. must make any necessary correction within 15 calendar days after receipt of a response from the policyholder or the policyholder's insurance agent; and
  - v. may, but is not required to, provide additional notices concerning that non-match error to the policyholder or the policyholder's insurance agent if the insurer does not receive a correction response from the policyholder or the policyholder's insurance agent following the initial notice; however, the insurer shall not be subject to, nor shall the insurer subject the policyholder or the policyholder's agent to, any penalty for the policyholder's non-compliance; and
- d. the web services insurer may request a reload of the TxDOT data as needed during the data clean-up/correction process.

## **2. Match Rate**

Each web services insurer must achieve and maintain a 95 percent match rate by January 1, 2008 and a 98 percent match rate by January 1, 2010. The insurer and/or the Vendor shall submit information and documentation to the Coordinator on request indicating whether the insurer has achieved the required match rate. If it is determined as specified in Section VII, Item A(3) of this Manual that the insurer has not met the match rate and all system and performance requirements, the insurer shall have 30 days to comply with the database program requirements in Section VI of this Manual and begin reporting data.

The match rate will be calculated as the percentage of reported insurance policy records matched to registered vehicles divided by the total number of all insurance policy records received.

## **3. Failure to Meet Requirements**

Each insurer approved to use the web services program must maintain all web service requirements. The Coordinator may request information from the Vendor and/or the insurer to confirm that the web services insurer is maintaining all web service requirements. If it is determined as specified in Section VII, Item A(3) of this Manual that a web services insurer that has previously met all web services requirements is unable to maintain the system and performance requirements as required in this Section VII of this Manual, the web services insurer shall:

- a. no longer be allowed to operate as a web services insurer; and
- b. have 30 days to comply with the database program requirements in Section VI of this Manual and begin reporting data.

The procedure for determining whether an insurer has met the requirements of this section shall be as follows:

- a. In computing any period of time prescribed or allowed by this division, the day of the act, event, or default after which the designated period of time begins to run shall not be included, but the last day of the period so computed shall be included, unless it be a Saturday, Sunday, or legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, Sunday nor a legal holiday;
- b. On or before the date specified in Section III, Items A(3) to A(4) of this Manual, and as requested by the Coordinator under Items 2 and 3 above of this section, the insurer shall submit all specifications, documentation, and other data to the Coordinator;
- c. Within 14 calendar days of submission by the insurer, the Coordinator shall review the submission and provide written notification to the insurer if the submission is determined to be in compliance or if it fails to meet the requirements;
- d. If the Coordinator notifies the insurer that the submission fails to meet the requirements, the insurer may appeal to the Commissioner of Insurance (Commissioner) for review of the Coordinator's decision by making a written request to the Coordinator within 20 calendar days of the date the insurer receives the Coordinator's written decision. The written request for review must provide a rebuttal of the Coordinator's written decision. If the insurer does not appeal the Coordinator's written decision within the 20 calendar day period, the Coordinator's written decision shall become final; and

- e. Within 14 calendar days of receiving the rebuttal, the Commissioner, or the Commissioner's authorized representative, shall make a written determination on the basis of the original submission, the Coordinator's written decision, and the insurer's rebuttal.

#### **4. Appeal**

A decision under Item 3(e) of this section may be appealed under Texas Insurance Code §36.201.

An appeal to the Commissioner under Section VII, Item A(3) of this Manual does not stay or extend the period for compliance with the database program under Section III, Items A(3) to A(5), and Section VII Item B(2) and B(3) of this Manual.

### **B. System Requirements**

A web services insurer must design, develop, maintain, and submit specifications for a web services program application capable of verifying the status of a policyholder's insurance information. The program must enable the insurer to receive and respond to the Vendor's insurance verification inquiries on a single vehicle or motorist at a time during the event based process and to process batch inquiries of multiple vehicles during the ongoing verification process.

#### **1. Transmission and Infrastructure**

The web services program transmission format and protocols must be compliant with XML standards as published by the World Wide Web Consortium (W3C).

The insurer's web services program must incorporate basic web service infrastructure standards; select a common XML standard to align with the other web services infrastructure standards; and set forth procedures for agreement between insurers and the Vendor to use one set of web services security standards, adhere to SOAP 1.1 standards, and use one set of authentication standards.

#### **2. Match Algorithm**

The web services insurer must develop and implement an algorithm that matches policy and policyholder data to information provided by the Vendor in the query process. The algorithm may also use cascading data matching that may not result in a 100 percent match of all fields, but a match may be made with a reasonable degree of accuracy.

- a. The algorithm must match information using:
  - the VIN, if available, and one additional field; or
  - at least two data fields provided by the Vendor.
- b. Data fields provided by the Vendor shall include:
  - VIN;
  - registered owner and/or driver driver's license number;
  - vehicle make, model, and year;
  - registered owner and/or driver name;
  - registered owner and/or driver address;
  - registered owner and/or driver date of birth; and
  - specific policy coverage date, as applicable.

The web services insurer may coordinate with the Vendor to develop an alternate data matching method. The insurer must submit details of any alternate matching approach to the Coordinator for approval prior to use.

The match rate will be calculated as the percentage of reported insurance policy records matched to registered vehicles divided by the total number of all insurance policy records received.

### **3. Error Correction**

For information found to be in error, each web services insurer continuing in the web services program must, as necessary, contact its policyholders to confirm or correct information.

The insurer:

- a. must provide an initial notice to a policyholder or the policyholder's insurance agent within 10 calendar days of discovering the information indicated to be in error;
  - i. communication is not required to be written; see Appendix 2 for sample written communication format and content;
- b. must request that the policyholder or the policyholder's insurance agent respond to the communication within 14 calendar days; however, the insurer shall not be subject to, nor shall the insurer subject the policyholder or the policyholder's insurance agent to, any penalty for the policyholder's non-compliance;
- c. must make any necessary correction within 15 calendar days after receipt of a response from the policyholder or the policyholder's insurance agent; and
- d. may, but is not required to, provide additional notices concerning that non-match error to the policyholder or the policyholder's insurance agent if the insurer does not receive a correction response from the policyholder or the policyholder's insurance agent following the initial notice; however, the insurer shall not be subject to, nor shall the insurer subject the policyholder or the policyholder's insurance agent to, any penalty for the policyholder's non-compliance.

### **4. Disaster Recovery**

Each web services insurer must provide a disaster recovery plan that meets the following requirements:

- a. recovery time objective within two hours during the critical time period that is defined as seven days per week, 24 hours per day per program; a single data center solution is acceptable;
- b. recovery point objective consisting of the last data load;
- c. a hot site or cold site capable of meeting the recovery time objective; and
- d. back-up data consisting of weekly backup following the data load.

### **5. Up-time and Availability**

Each web services insurer must provide up-time and availability of 99.8 percent for the event based process. This requirement excludes scheduled and planned outages for upgrades or maintenance; outages requested by TDI; and outages resulting from the failure of any systems or components that are not owned, controlled, or contracted by

the Vendor or web services insurer, unless the cause of the failure can be shown to have been a result of the web services insurer's negligence or malfeasance.

## **6. Data Confidentiality**

Each web services insurer must comply with all procedures relating to data confidentiality and security standards, including:

- a. signing any documents necessary to enable the Vendor to comply with the disclosure restrictions and privacy protections required by:
  - TDI;
  - TxDOT;
  - DPS;
  - the Texas Department of Information Resources; and/or
  - the Texas Law Enforcement Telecommunications System;
- b. adhering to the confidentiality provisions of Transportation Code Chapter 601 Subchapter N, including compliance with unique identifiers and passwords for user access to the program and entering into legal trading partner agreements with the Vendor to exchange data via the web services program;
- c. adhering to the provisions of Texas Administrative Code Title 1, Part 10, Chapter 202 (relating to Information Security Standards); and
- d. adhering to any other procedures set forth to ensure that the program is protected against unauthorized access, disclosure, modification or destruction, whether accidental or deliberate, as well as to assure the availability, integrity, utility, authenticity, and confidentiality of information.

## **C. Performance Requirements**

### **1. Inquiry Response**

The web services insurer must accept and respond to insurance verification inquiries from the Vendor.

The web services insurer must respond to inquiries in no more than 1.75 seconds, of which 0.25 seconds is allotted for transmission from Vendor to insurer, and 0.25 seconds is allotted for transmission from insurer to Vendor.

The web services insurer must respond to the Vendor with either an affirmative response and applicable information, or with a negative response as appropriate.

Policy and policyholder data that the web services insurer must return with an affirmative response includes, to the extent that the information is at that time available from the insurer:

- a. company identifying information;
- b. policy identifying information, including applicable coverage dates;
- c. vehicle identifying information;
- d. policyholder and/or driver identifying information; and
- e. an insurer defined data field for insurer use.

The web services insurer shall receive notification from the Vendor of:

- a. any problems with the transmission of the inquiry response; and
- b. multiple affirmative responses to a verification request.

## **2. Monthly Registration Renewals**

On a monthly basis for the purpose of vehicle registration renewals, the Vendor must, as required by TxDOT, submit to each web services insurer a file of registered vehicles approaching the registration renewal date. The web services insurer must mark as "insured" each registered vehicle for which an active insurance policy record is on file and return that file to the Vendor within three days of receipt of the registration renewal file. Alternatively, this file may be an electronic exchange/online transactions during non-peak times.

## **3. Audits**

Each web services insurer must maintain necessary information to assist TDI in auditing the Vendor's monthly and annual reports, including archiving:

- a. computer data files at least semi-annually for auditing purposes in an electronic format compatible with TDI's computer systems that shall include:
  - time a query is received to the hundredth of a second;
  - time a query is responded to, to the hundredth of a second;
  - query contents;
  - query response; and
- b. program audit trails, document control, program access control and software change control.

Each web services insurer must maintain its archived data for a minimum of four years.

## **4. Maintenance**

Each web services insurer must develop and implement maintenance plans that comply with the following:

- a. maintenance schedule as outlined by TDI (with insurer and Vendor input) and that may include modifications of the web services program after delivery to correct faults, improve performance, add other attributes, or adapt to a changed technical environment;
- b. coordination of all maintenance with TDI that includes obtaining written approvals for the maintenance;
- c. a process for approval of exceptional or emergency maintenance; and
- d. provisions for corrective maintenance, adaptive maintenance, and perfective maintenance as set out in the Manual.

## **D. Ongoing Verification Process**

### **1. Description**

The ongoing verification process will monitor and report on the financial responsibility of Texas drivers on an ongoing basis. The Vendor will track the insurance status of all registered vehicles. After a vehicle is listed as uninsured for nine (9) consecutive weeks, the Vendor will begin a letter campaign in an attempt to contact the registered owner and verify insurance status or encourage insurance coverage to be purchased.

In the event a registered owner is mistakenly identified as uninsured, the letter of non-compliance will instruct the owner to compare several key pieces of information to identify the discrepancy. The letter will list the VIN and additional vehicle and owner information contained in TxDOT's database. The registered owner will be asked to

compare that vehicle information to their insurance policy, and to confirm the actual VIN on the vehicle. The letter will contain additional instructions for data corrections.

## **2. Insurer Requirements**

- a. Beginning on January 1, 2008, on a weekly basis for the purpose of ongoing verification, the Vendor shall submit to each web services insurer a file of registered vehicles for which the insurer must:
  - i. mark as “insured” each registered vehicle for which an active insurance policy record is on file and return that file to the Vendor within three days of receipt of the registered vehicle file; and
  - ii. return to the Vendor a file of all insurance policy records that could not be matched to a registered vehicle.

Alternatively, this process may be completed as online transactions during non-peak times.

- b. There are no additional requirements related to the ongoing verification process for web services insurers. However, Texas consumers who receive a letter of non-compliance from the State may contact their insurer for assistance or to confirm/correct policy information. Insurer should maintain adequate customer service to handle these customer issues.

## **VIII. Pilot Test Program**

In addition to complying with either the database or web services program requirements, an insurer may also participate in the testing of a transmission system based on the transmission of insurer-provided key-data to provide verification of compliance with the Texas Motor Vehicle Safety Responsibility Act.

Specific details of this test program shall be established through a cooperative process with the vendor, volunteer insurers, and the implementing agencies.



## **IX. Delegation**

An insurer may delegate by written contract the functions that the insurer is required to perform under the program to one or more TDI licensed managing general agents (MGA). To the extent an insurer has contractually delegated any requirements of §§5.601 – 5.611 to an MGA, the MGA shall be deemed an insurer for the purpose of §§5.601 – 5.611. A copy of the delegation agreement must be submitted to the Financial Responsibility Verification Program Coordinator and the Vendor. Under such delegation, both the MGA and the insurer shall be jointly and severally responsible for full compliance with this program and jointly and severally subject to disciplinary actions from TDI for failure to meet program requirements.

## **X. New Insurers**

An insurer that commences writing personal automobile insurance in the Texas market more than 10 business days after the effective date of 28 TAC §§5.601 – 5.611 but before June 1, 2007, shall comply with the database program as detailed in Section VI of this Manual and must begin reporting data on or before June 30, 2007.

An insurer that commences writing personal automobile insurance in the Texas market on or after June 1, 2007 shall have 30 calendar days to comply with the database program requirements in Section VI of this Manual and begin reporting data.

## **XI. Penalties**

Failure of an insurer to comply with any of the requirements of this division shall subject the insurer to the enforcement and penalty provisions of the Insurance Code Chapters 82, 83, and 84 and any other applicable law.

In accordance with Transportation Code §601.454, a person commits an offense if the person knowingly uses data obtained under Chapter 601, Subchapter N, for any purpose not authorized under Subchapter N. An offense under §601.454(d) is a Class B misdemeanor.

## **XII. Contacts and Resources**

### **A. Financial Responsibility Verification Program Coordinator**

Melissa Mallett  
(512) 305-7201 *office*  
(512) 463-6122 *fax*  
[melissa.mallett@tdi.state.tx.us](mailto:melissa.mallett@tdi.state.tx.us) *email 1*  
[TexasFRVP@tdi.state.tx.us](mailto:TexasFRVP@tdi.state.tx.us) *email 2*

*Mailing Address:*

Property & Casualty Program, MC 105-5C  
Texas Department of Insurance  
PO BOX 149104  
Austin, TX 78714-9104

### **B. Vendor Technical Help Desk**

Justin Mann – Primary Contact  
(801) 531-0731 *office*  
(801) 560-2166 *cell*  
[jmann@insure-rite.com](mailto:jmann@insure-rite.com) *email*

Tekoa Norby  
(801) 531-0731 *office*  
[tnorby@insure-rite.com](mailto:tnorby@insure-rite.com) *email*

### XIII. Glossary

<b><i>Cascading Data Matching</i></b>	A data matching algorithm that uses multiple data fields to increase the accuracy of matched data.
<b><i>Database Insurer</i></b>	An insurer who opts to report policy record data directly to the Selected Respondent.
<b><i>DIR</i></b>	The Texas Department of Information Resources
<b><i>DPS</i></b>	The Texas Department of Public Safety
<b><i>Extensible Markup Language (XML)</i></b>	A flexible way to describe data and the format of that data over the Internet. XML allows designers to create their own customized tags, enabling the definition, transmission, validation, and interpretation of data between applications and organizations. Sometimes referred to as “XML payload message.”
<b><i>Hypertext Transfer Protocol (HTTP)</i></b>	The set of rules that define how messages are formatted and transmitted over the Internet. HTTP defines what actions should be taken by Web servers and browsers in response to various commands. HTTP runs on top of the TCP/IP suite of protocols.
<b><i>Implementing Agencies</i></b>	The Texas Department of Insurance (TDI), the Texas Department of Public Safety (DPS), the Texas Department of Transportation (TxDOT), and the Texas Department of Information Resources (DIR).
<b><i>Insured(s)</i></b>	An insurance customer/consumer who has purchased the required minimum limits of automobile liability insurance.
<b><i>Insurer(s)</i></b>	An insurance company
<b><i>IVR</i></b>	Integrated Voice Response system
<b><i>Match Rate</i></b>	The percentage of reported insurance policy records matched to registered vehicles divided by the total number of all insurance policy records received.
<b><i>Named Non-Owner Policy</i></b>	Also Non-Owner Policy. Used to provide coverage for a named individual and spouse, if residents of the same household, for the operation of non-owned vehicles. The Driver License Number is the key to matching these types of policies.
<b><i>Program</i></b>	The Motor Vehicle Financial Responsibility Verification Program
<b><i>RTS</i></b>	Registration and Title System. The TxDOT data processing system used to accomplish registration and titling transactions at county tax offices and other points of service throughout Texas.

<b>Secured Sockets Layer/Transport Level Security (SSL/TLS)</b>	Uses certificates to authenticate the identity of the endpoints, or “sockets”, of a trusted session or message transmission (i.e. transport level authentication). TLS is derived from SSL and has succeeded SSL as the protocol for managing the security of a message over the Internet.
<b>Simple Object Access Protocol (SOAP)</b>	Used to transfer XML payload messages or data. SOAP is a lightweight XML-based messaging protocol used to encode the information in Web service request and response messages before sending them over a network. SOAP messages are independent of any operating system or protocol.
<b>TDI</b>	The Texas Department of Insurance
<b>TLETS</b>	The Texas Law Enforcement Telecommunications System. TLETS acts as a switching system for DPS, making information available to law enforcement and the criminal justice system, among other users.
<b>Transmission Control Protocol/Internet Protocol (TCP/IP)</b>	The basic two-layer suite of communication protocols, used to connect hosts on the Internet.
<b>TxDOT</b>	The Texas Department of Transportation
<b>Users</b>	The Texas Department of Transportation, the Texas Department of Insurance, the Texas Law Enforcement Telecommunications System (TLETS), the Driver License Division of the Texas Department of Public Safety, and other authorized users.
<b>Web Services Insurer</b>	An insurer who opts to provide policy record data to the Selected Respondent on request via a Web services application.
<b>Web Services, Web Services Application</b>	Describes the standardized way that a Web user or Web-connected program can call another Web-based application hosted on a business’ Web server.

**XIV. Attachments**

## Attachment 1 – Insurance Company Profile Form

This form must be submitted to the vendor prior to the testing phase.  
Submit one completed form for each company reporting insurance data.

Date: \_\_\_\_\_

<b>Company Name:</b>			
Address:			
City:		State:	ZIP:
Company NAIC:	Number of Vehicles	Number of Policies:	
<b>Primary Business Contact:</b>		<b>Secondary Business Contact:</b>	
Title:		Title:	
Phone:	Fax:	Phone:	Fax:
Email:		Email:	
<b>Primary Technical Contact:</b>		<b>Secondary Technical Contact</b>	
Title:		Title:	
Phone:	Fax:	Phone:	Fax:
Email:		Email:	

**Interface Selection** (choose one from Options 1-4, or, the Web Services option)

- \_\_\_\_\_ Option 1: Vendor Enhanced Format
- \_\_\_\_\_ Option 2: Texas Interface
- \_\_\_\_\_ Option 3: X12
- \_\_\_\_\_ Option 4: Small Insurers
- \_\_\_\_\_ Web Services

**Preferred Submission Day** (Choose one day and time)

\_\_\_ M \_\_\_ T \_\_\_ W \_\_\_ Th \_\_\_ F \_\_\_ S \_\_\_ Su  
\_\_\_ AM \_\_\_ PM

**Submission Data Format** (choose one)

- \_\_\_\_\_ Fixed
- \_\_\_\_\_ Delimited

**Submit completed form to:**

*Lu Kindred  
Project Manager  
HDI Solutions, Inc.  
(334) 466-3072 office  
(334) 821-0647 fax  
luanne.kindred@hdisolutions.com*

**3<sup>rd</sup> Party Reporting** (if yes, please fill out and submit a 3<sup>rd</sup> Party Reporting Form)

\_\_\_ Y \_\_\_ N



## Attachment 2 – MGA Profile Form

This form must be submitted to the vendor prior to the testing phase.  
Submit one completed form for each MGA reporting insurance data.

Date: \_\_\_\_\_

<b>MGA Name:</b>			
<b>County Mutual Name:</b>			
MGA Address:			
City:		State:	ZIP:
County Mutual NAIC:		Number of Vehicles	
MGA Number:		Number of Policies:	
<b>Primary Business Contact:</b>		<b>Secondary Business Contact:</b>	
Title:		Title:	
Phone:	Fax	Phone:	Fax:
Email:		Email:	
<b>Primary Technical Contact:</b>		<b>Secondary Technical Contact</b>	
Title:		Title:	
Phone:	Fax:	Phone:	Fax:
Email:		Email:	

**Interface Selection** (choose one from Options 1-4, or, the Web Services option)  
 Option 1: Vendor Enhanced Format  
 Option 2: Texas Interface  
 Option 3: X12  
 Option 4: Small Insurers  
 Web Services

**Preferred Submission Day** (Choose one day and time)  
 \_\_\_ M \_\_\_ T \_\_\_ W \_\_\_ Th \_\_\_ F \_\_\_ S \_\_\_ Su  
 \_\_\_ AM \_\_\_ PM

**Submission Data Format** (choose one)  
 Fixed  
 Delimited

**Submit completed form to:**  
 Lu Kindred  
 Project Manager  
 HDI Solutions, Inc.  
 (334) 466-3072 office  
 (334) 821-0647 fax  
 luanne.kindred@hdisolutions.com

**3<sup>rd</sup> Party Reporting** (if yes, please fill out and submit a 3<sup>rd</sup> Party Reporting Form)  
 Y  N

## Attachment 3 – 3<sup>rd</sup> Party Reporting Profile Form

This form must be submitted to the vendor prior to the testing phase. Insurance Companies and MGAs using 3<sup>rd</sup> party reporting should include this completed form with their Insurance Company or MGA profile form.

Date: \_\_\_\_\_

<b>Insurance Company/MGA Name:</b>			
<b>Reporting Company Name:</b>			
Address:			
City:		State:	ZIP:
Insurance Company/MGA NAIC:	Number of Vehicles	Number of Policies:	
<b>Reporting Company Primary Business Contact:</b>		<b>Reporting Company Secondary Business Contact:</b>	
Title:		Title:	
Phone:	Fax:	Phone:	Fax:
Email:		Email:	
<b>Reporting Company Primary Technical Contact:</b>		<b>Reporting Company Secondary Technical Contact:</b>	
Title:		Title:	
Phone:	Fax:	Phone:	Fax:
Email:		Email:	

**Interface Selection** (choose one from Options 1-4, or, the Web Services option)

- \_\_\_\_\_ Option 1: Vendor Enhanced Format
- \_\_\_\_\_ Option 2: Texas Interface
- \_\_\_\_\_ Option 3: X12
- \_\_\_\_\_ Option 4: Small Insurers
- \_\_\_\_\_ Web Services

**Submission Data Format** (choose one)

- \_\_\_\_\_ Fixed
- \_\_\_\_\_ Delimited

**Preferred Submission Day** (Choose one day and time)

\_\_\_ M \_\_\_ T \_\_\_ W \_\_\_ Th \_\_\_ F \_\_\_ S \_\_\_ Su  
 \_\_\_ AM \_\_\_ PM

**Submit completed form to:**

*Lu Kindred  
 Project Manager  
 HDI Solutions, Inc.  
 (334) 466-3072 office  
 (334) 821-0647 fax  
 luanne.kindred@hdisolutions.com*

## **Attachment 4**

### **Sample Written Communication for Error Correction**

*Sample text for a letter:*

Dear Mr. and Mrs. Texas Consumer:

The State of Texas recently enacted a program aimed at reducing the number of uninsured motorists operating on Texas roadways. As part of this program, <Insurance Company Name> is required to submit insurance policy information to a vendor contracted by the State of Texas. That vendor uses that insurance policy information to identify registered vehicles which are not in compliance with the financial responsibility laws of this State (i.e., owners who do not have motor vehicle insurance).

Your insurance policy information was recently submitted to the vendor. However, the vendor was unable to match your policy information to a registered vehicle. We need your assistance to clear up this mismatch, and to ensure that you will not be wrongly identified as an uninsured motorist. Please note that failure to help us clear up this situation may result in a citation for not having insurance during a traffic stop, or a letter from the State citing your failure to comply with financial responsibility laws.

The following information was submitted to the vendor:

*VIN:*

*Make:*

*Year:*

*Driver Names:*

*Mailing Address:*

*Garage Address:*

Please verify that the above information is correct, and contact us as soon as possible with any clarifications. We strongly recommend that you visually check the Vehicle Identification Number (VIN) engraved on your vehicle against the one listed on your policy. Please use the attached data correction form to report any errors, or you may contact us directly at (xxx) xxx-xxxx.

If your policy information is correct and matches the VIN actually on your vehicle, then it is possible that a discrepancy exists in your vehicle registration or title record. In that case, you should contact the Vehicles Titles and Registration Division of the Texas Department of Transportation at (512) 465-7611 for additional assistance.

## Attachment 5 Frequently Asked Questions

1. Will the vendor or the insurers be responsible for identifying vehicles registered for non-road use (e.g. ATV's scooters, golf carts, dune buggies, etc.)?

*Unless the information is provided by the DMV, the vendor will not be able to identify this information. If these vehicles cannot be distinguished by an insurer, they will need to be addressed during the testing phase.*

2. For insurers using a fixed record format, what is the maximum number of error codes that could be returned so that we may establish an adequate fixed record length?

*The maximum number of errors is equal to the number of mandatory fields which contain no data. This could expand in the future if additional error codes are defined.*

3. For fields that are numeric but have no data, should insurers pad with zeros or with spaces? Does the vendor have a preference for right or left justification?

*All fields should be left justified and padded to the right with blank spaces. If the insurer has any issue with providing the data in this format, please contact the vendor directly.*

4. If a VIN is missing, we will get that back as a data compliance error, but will that also be automatically returned in the no match file as well?

*The record will only be returned in the unmatched file if the vendor was unable to match it on other fields that were supplied.*

5. Is it possible to code second and third non match errors for a particular vehicle so that it is possible for insurers to send appropriate first, second, and third notice letters?

*Yes, this will be indicated in the name unmatched data file.*

6. Is it possible to return errors to insurers by FTP rather than email? Will insurers have to continually poll the vendor's website for error returns?

*Yes, errors can be returned via email, FTP, or both. The insurer should work with the vendor to determine how errors should be received.*

7. The vendor's specified encryption method of FTP with Pretty Good Privacy (PGP) automatically compresses files. Do insurers need to also "zip" their files?

*It is not required to zip files.*

8. Who should insurers contact if they have a question about record submission or error reports?

*See contact page. At this time, it will be Justin or Tekoa. However, after the system is in production phase, this will be different.*