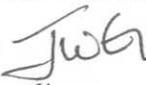


April 3, 2012

TO: All Fire and Property and Casualty Companies  
Authorized to Issue Motor Vehicle Policies in Florida

FROM: Julie W. Gentry, Chief   
Bureau of Motorist Compliance

SUBJECT: Florida Financial Responsibility and Insurance Programs Redesign

Thank you to those who participated in our first FR Redesign Survey. If you were not able to participate, we would like to invite you to join your colleagues and provide feedback in our next survey. In addition, we want to share some of the results of the first survey.

We were pleased to have 55 responses representing approximately 170 companies. Based on our research, the companies that responded represent approximately 70% of all policies written in our state. Survey results indicate that 68% of you agreed that our department is moving in the right direction. Of those that disagreed, most suggested that we consider online verification. Although this is our ultimate goal, it is not within the scope of this grant.

With that in mind, the results from the survey have been very helpful and prompted us to address each issue more thoroughly with the industry and in some cases caused us to ask more questions. Let's start with the reloads.

Survey Question:

- How quickly could you perform a reload?
  - 40% said quarterly
  - 17% said semi-annually
  - 43% said annually

One of the goals of this project is to clean up the data on the insurance database. Our reload process will consist of your company sending all of your active policies **in XML format** by December 31, 2012. Our Agency will provide you with the Technical Specifications within the next 4 to 6 weeks and will be ready to start User Acceptance Testing shortly thereafter. One insurance company has already requested to participate in the testing and we would like to extend an invitation to others. If you are interested in working with our Agency as a User Acceptance Tester, please complete our next survey. Some of the advantages of XML are:

- the ability to send multiple data values in a single transaction. For example, currently to create a new policy with 3 vehicles, your company would send to the insurance database three transactions: one to create the new policy and two

## Survey MONKEY!!!!

1. One of the goals of this project is to clean up the data on the insurance database. Our reload process will consist of your company sending all of your active policies in XML format by December 31, 2012. How quickly could you do an initial reload in XML format?
2. Are you interested in working with our Agency as a User Acceptance Tester? If so, please provide your contact information.
3. We are excited about the prospect of offering a web interface for insurance companies that would provide the capability of updating SR22s and FR44s. Is this a feature your company would utilize? If no, please explain why not. What would be your preferred method of reporting individual real time SR22s/FR44s?

Web Link/Web Form

XML/Webservice

4. The intent of this redesign is not to capture the exact coverage of your insured; instead, we want to capture what level of coverage they meet through a tiered system. Reporting this threshold in advance, would eliminate a SR21 verification, prevent customer calls to your company, and provide better overall customer service to our mutual customers. With that knowledge, would you be willing to include levels of insurance met by a customer if it were made available to you?
5. As we noted in the survey, it is our intent to use the Florida Company Code instead of the NAIC code. 30% of those survey indicated that they could not provide the Florida Company Code. If you are one of the companies who indicated you could not provide the Florida Company Code, please provide a detailed explanation as to why not.
6. We are looking at modifying our transaction types to include additional types of transactions. A 'Renewal' transaction would allow for a company to notify us of a new expiration date. Breaking up the transaction type 22 by adding a additional transaction for 'PIP Only SR22' could eliminate errors reporting proper coverage. Also including a transaction for adding 'Non Owner Policies' to the database would help reduce the number of SR21 Verification Requests sent to your companies. Currently these are the transactions we feel we need:

10= Cancellation

11= Recall of cancellation

12= SR21 Verification

13= Vehicle totaled or sold

14= Non Owner Policy

- 19= Renewal
- 20= Initiation of insurance
- 21= Recall of issuance of insurance
- 22= SR22 Certificate of Liability Coverage
- 23= SR22 Certificate of PIP Only Coverage
- 26= SR26 Certificate of Cancellation (of SR22)
- 30= Change policy holder name or DL Number
- 31= Add vehicle to policy
- 32= Delete vehicle from policy
- 44= FR44 Certificate of Higher Limits Liability Coverage

Do you have any comments or concerns with any of these transactions?