

**PROGRAM DIVISION
BULLETIN**

2004-17

April 21, 2004

State: **New Mexico**

Applicability: **Commercial Automobile**

Effective Date: **Immediately**

Re: **New Mexico Mandatory Insurance Reporting System – New Mexico Insurance Tracking And Compliance – Insurance Identification Database Program (IIDB) - DMV Reporting**

SUMMARY

The New Mexico Taxation and Revenue Department - Motor Vehicle Division (MVD) verifies insurance on vehicles registered in the State of New Mexico (NM). NM MVD now requires insurance verification on all vehicles 26,000 lbs and under or motor homes of any weight registered in the state of New Mexico shall be reported to Explore for use in the IIDB project. While insurance was always mandatory, the MVD relied on ID cards to prove the existence of insurance. The reports that are now required to be filed by the insurer verify the reliability of the ID card. Both private passenger and commercial policies must be reported. AIG's initial report to NM MVD was completed in 2002. New Mexico IIDB uses a vendor (Explore) to maintain its database. Monthly reporting remains an ongoing requirement. There are 2 reporting options listed below.

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REPORTING REQUIREMENTS

- Report new business, renewals and cancellations (final cancellations only) to NM MVD.
- New business must be reported by the 7th of the month after issuance of the policy or binder
- Cancellations must be reported by the 7th of the month after final cancellation.
- Report additions and deletions of vehicles on scheduled vehicle policies by the 7th of the month after the effective date of transaction.
- Include complete vehicle information including a valid 17 digit VIN's when reporting under the vehicle-specific option.
- The registrant must match the named insured.
- Renewal reporting is required in New Mexico.
- Non-Renewals need to be reported as Cancellations.

(Refer to the individual State Template for a complete list of required data elements for reporting)

New Mexico has a group of vehicle registration types that are exempt from reporting. Those are:

- New Mexico Vehicle Class #12 – Farm Truck
- New Mexico Vehicle Class #13 – Heavy Vehicle
- New Mexico Vehicle Class #14 – School Bus
- New Mexico Vehicle Class #18 – Utility Trailer
- New Mexico Vehicle Class #19 – Travel Trailer
- New Mexico Vehicle Class #22 – Off Highway
- New Mexico Vehicle Class #31 – Mobile Home

REPORTING OPTIONS

1. Non-Vehicle Specific Reporting Option

The insurer may opt for non-vehicle specific reporting by only reporting policy level data such as; the name and address of the registrant, the carrier company NAIC code, coverage effective date, etc. This method requires the reporting of the name of the insured registrant, address of the registrant, among the other required data elements. This option eliminates the need to report vehicle-specific data such as vehicle model year, vehicle make, and vehicle identification number (VIN), and should be utilized any time the policy has been issued on a composite rated basis.

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HOWEVER, THIS OPTION, IF CHOSEN BY THE INSURER, COULD BE CONSTRUED AS AN INDICATION TO THE DMV THAT ALL VEHICLES REGISTERED IN THAT PARTICULAR STATE THAT ARE OWNED BY THE REPORTED REGISTRANT(S) ARE COVERED BY THE POLICY, AND COULD RESULT IN THE COMPANY BEING LIABLE FOR CLAIMS THAT IT HAD NOT ANTICIPATED AND FOR WHICH IT HAD NOT COLLECTED A PREMIUM. This may not be the underwriter's intent, especially regarding leased vehicles and vehicles registered to individuals covered on the policy. AIG should not be verifying coverage on these types of exposures on a blanket basis.

2. Vehicle-Specific Reporting Option

The insurer may opt for vehicle-specific reporting. Under this option, only those specific vehicles reported by the insurer are considered covered under the reported policy. The vehicle-specific reporting option eliminates the challenges that may be presented with leased vehicles and vehicles registered to individuals covered on the policy, and should be utilized in those instances where the policy has been written on a schedule rated basis.

NOTE: Vehicle specific reporting must always be utilized in the following cases:

- Reporting vehicles registered to a leasing companies.
- Reporting vehicles registered to an individual, when only certain vehicles registered to that individual are to be covered under the Commercial Auto Policy.

Any additions or deletions to a policy reported to the DMV in this manner would have to be reported on an ongoing basis.

For additional information, review the New Mexico websites for full details of their program.

Website: <http://www.state.nm.us/tax/>
<http://www.driveinsured.com/publish/newmexico.htm>

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UNDERWRITING ACTION

Data must be completed by the Program Administrator on the corresponding “*Standardized DMV Reporting Template*” (see attached file). The Program Administrator must make sure that ALL data elements requested are supplied on the template. Incomplete templates will be returned for correction. The Standardized templates are also available at AccessAIG.com for Program Administrators. Also included in the template is a list of AIG Company NAIC codes and NCIC vehicle make codes to assist the Program Administrator with the proper completion of the templates for those data elements.

Failure to comply with the procedures described herein will result in one or more of the following:

- The insured may be prevented from registering their vehicle(s).
- Suspension, and/or revocation of the insureds existing vehicle registration.
- Impoundment of the insured’s vehicle(s) and civil penalties incurred by the insured.
- Fines imposed on AIG.

If you have any questions regarding this bulletin, please contact your Program Manager.



"NM DMV
Template.xls"

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