

Performance Evaluation Fact Sheet

MONTANA INSURANCE VERIFICATION SYSTEM – DEPARTMENT OF JUSTICE, MOTOR VEHICLE DIVISION

ISSUE STATEMENT

The Joint Appropriations Subcommittee on Judicial Branch, Law Enforcement, and Justice voted to request monitoring of this item. The legislature appropriated funding for the Vehicle Insurance Verification System (renamed by the department as Montana Insurance Verification System or MTIVS) in the 2011 and 2013 biennia. The system is in the process of being developed. This report updates the committee on the status of the project to implement the system.

HISTORY AND PURPOSE OF PROGRAM OR ITEM

2009 Session Law

The 2009 Legislature, in SB 508, directed the Department of Justice to work with the commissioner of insurance to establish an accessible common carrier-based motor vehicle insurance verification system to verify the compliance of a motor vehicle owner or operator with motor vehicle liability policy requirements. SB 508 established July 1, 2011, as the date county treasurers were required to use the system to verify vehicle owners' compliance with the liability insurance requirements of state law.

The system implementation was delayed after the county treasurers recommended a delay through the Law and Justice Interim Committee. This recommendation was largely due to issues surrounding the implementation of the Montana Enhanced Registration and Licensing Network (MERLIN).

2011 Session Law

The 2011 Legislature, in HB 367, changed the date from July 1, 2011, to January 1, 2013, for when county treasurers were required to use the system to verify vehicle owners' compliance with the liability insurance requirements of state law. HB 367 also added a section under the department's rule making authority to determine a schedule for the implementation of the system, subject to the six month minimum testing period and requirements in statute.

MEASURES FOR DETERMINING EFFECTIVENESS

The following milestones are provided in the contract for MTIVS:

- December 31, 2011 - Data gathered and matching completed with required accuracy
- December 31, 2011 - Implemented for law enforcement via the contractor-provided web portal (*current expectations by the department are that this will be completed by February 1, 2012*)
- April 30, 2012 - Implemented for law enforcement use via Criminal Justice Information Network (CJIN) and for Montana courts for enforcement
- July 1, 2012 - Implemented within the Motor Vehicle Division (MVD) and county treasurer offices for advisory use (*current expectations of the department are that this will be completed by August 1, 2012*)
- December 31, 2012 - Implemented within MVD for enforcement

CURRENT STATUS

A request for proposal was issued in April 2011, with responses due in May 2011. Subsequently, a contract was signed on June 29, 2011 between the department and MV Solutions, Inc. out of Blythewood, South Carolina. This company has successfully implemented similar systems in the District of Columbia, California, Florida, South Carolina, Texas, and Wyoming.

The system requirements are to be a web-based (Internet) system capable of responding to inquiries directly through the web, MERLIN, and CJIN. MV Solutions is responsible for maintaining the system hardware, software, and data, including maintaining the accuracy, currency, and timeliness of data. A contact center for Montana citizens to inquire about concerns is included along with the insurance verification data exchange portions of the system.

The contract is for an initial five-year period but can be extended in one year increments for up to a total of ten years. Once the system has been fully implemented on January 1, 2012, on-going system maintenance costs will remain fixed up to a level of monthly inquiries for insurance verification data and a separate level of transactions of the citizen contact center. Above the limits for data inquiries and contact center transactions, fixed data and transaction rates are specified and fixed throughout the term of the original five-year contract. Therefore, the on-going maintenance costs will be no lower than \$269,496 in FY 2012 (half year of operation) and \$538,992 from FY 2013 through FY 2015. These fixed amounts are comparable to the amounts appropriated for the Motor Vehicle Division. If the limits are exceeded the maintenance could go above these levels. No additional costs would be incurred for any post-implementation customizations made to the system through the term of the contract. Current expenditures to implement the system, including the cost of a contract manager and projected fiscal years 2012 and 2013 expenditures, are \$800,979. These costs do not include on-going maintenance costs mentioned above.

POTENTIAL OPTIONS OR DECISION POINTS

This report is presented as an update on the status of a project currently being developed and implemented under an executed contract. Key milestones occur after this report. Therefore, the committee may want to consider requesting a status update of the above milestones at the committee's June 2012 or September 2012 meeting.