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# BULLETIN

## Insurance Validation Program

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On January 1, 2020, several changes to the **Automobile Insurance Act** and Regulations came into effect in Newfoundland and Labrador. In particular, insurers are required to report a cancellation or expiration of an auto insurance policy to the Registrar of Motor Vehicles. With funding provided through Transport Canada's Enhanced Road Safety Transfer Payment Program (ERSTPP), the Government of Newfoundland and Labrador, in partnership with the Insurance Bureau of Canada (IBC), have developed an efficient digital reporting system to satisfy compliance – the Insurance Validation Program (IVP).

The IVP is a secure and reliable system, developed to provide an electronic means to determine if a vehicle carries mandatory insurance coverage. IVP information is stored in the Insurance Industry VIN Database (IIVD) and is composed of data reported by insurance companies under the Automobile Statistical Plan (ASP) and the Underwriting Information Plan (UIP). The General Insurance Statistical Agency and provincial insurance regulators mandate ASP reporting. The Facility Association mandates UIP reporting.

The IIVD contains the vehicle identification numbers (VINs) of insured vehicles with a corresponding insurance status, which the Motor Registration Division (MRD) of Newfoundland and Labrador can access electronically. The primary use of the database is to confirm a vehicle's insurance status monthly and whenever a vehicle's registration is renewed.

To confirm mandatory insurance coverage, MRD systems can query IVP using the VIN of privately owned or leased passenger vehicles with model years 1983 or later. IVP confirms that:

1. the vehicle's VIN is correct according to an algorithm check;
2. the VIN matches the IIVD database; and
3. whether there is mandatory insurance coverage for the vehicle.

At the time of the query, IVP provides a response code and description for each VIN and its status.


When IVP indicates that mandatory insurance coverage is not confirmed, the registered owner is notified by the MRD, so corrective action can be taken.

There are two phases in the implementation of IVP:

Phase 1 will begin in the fall of 2022. It will include a validation process used by the MRD on a monthly basis to notify motorists of their vehicle's unconfirmed mandatory insurance status. For vehicle owners that failed to provide proof of insurance after being notified, the MRD will send a notice confirming that their registration has been suspended.

Phase 2, will include the development of a secure direct link (web service) allowing mandatory insurance coverage to be confirmed 'on-the-spot' by the MRD. Specifically, when vehicle owners renew registrations using their MyGovNL.ca account, the status of their mandatory insurance coverage will be validated electronically using this direct link. If the mandatory insurance coverage is not confirmed, registration renewal cannot be completed and the customer is provided instructions on how to update their MRD records. This phase will be implemented in November 2022. There may be an increase in customer contact with their insurance representatives as a result of these initiatives.

For additional information about IVP please contact Kelli Penney, Registrar of Motor Vehicles at [RegistrarMRD@gov.nl.ca](mailto:RegistrarMRD@gov.nl.ca) or 709-729-4175.

  
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