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June 24, 2021

Sharon Salembier  
Audit Manager  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street- 11<sup>th</sup> Floor  
Albany, NY 12236

Re: Response to 2021-F-3 Final Audit Report Follow-Up

Dear Ms. Salembier:

This letter is in reference to the New York State Comptroller's follow-up to final audit findings which address the Allocation, Billing, and Collection of Expenses of Administering the Motor Vehicle Financial Security Act and Motor Vehicle Safety Responsibility Act.

Please note the following concerning the follow-up to audit recommendations:

1. Enhance the accuracy and reliability of reported premium data by analyzing premium data and taking follow-up action where appropriate. OSC noted this as *partially implemented*.

*Response: After a review of DMV procedures, it was determined that DMV could take steps to assist DFS in the review process of premium data provided by carriers. DMV maintains that Vehicle and Traffic Law only makes DMV responsible to identify costs of program administration, and while we will work to alert DFS to any anomalies identified in reporting, it does not allow any enforcement action to be taken on the part of DMV. DMV reviewed the premium data and identified those carriers with a high percentage change between the two reporting years, as well as identified 10 insurance carriers who reported premiums in one year but not the other. These anomalies were presented to DFS for their review and follow up with insurance carriers.*

2. Take steps to bill insurance carriers for, and collect, all assessable expenses under the Acts. OSC noted this as *partially implemented*.

*Response: The Department has amended procedures in relation to the quarterly billing process to list any outstanding balances owed.*

*Since the initial audit report findings, DMV has billed carriers that owed a balance due from years prior to 2017. To date, we have collected \$9,041.38. DMV will continue to send quarterly billing reminders to remaining carriers. Additionally, since notifications were sent in March 2021 to carriers with outstanding balances ending in 2018, DMV has collected balances from 4 out of the 14 insurance carriers identified. Again, DMV will be sending out balance due reminders on quarterly basis. The next notification is scheduled for June 10th.*

## Response to 2021-F-3 Final Audit Report Follow-Up

DMV is continuously working to improve the assessment process, as well as refining the documentation of all the stages to ensure its successful execution.

We will continue to look for improvement opportunities such as these and always welcome a chance to better serve the citizens of New York. If you have any questions concerning this matter, please contact me at (518) 474-0881.

Sincerely,

 Digitally signed by Kelly  
Gardineer  
Date: 2021.06.24  
11:33:03 -04'00'

Kelly Gardineer  
Director - DMV Audit Services