



Public Frustration with Uninsured Motorists is Growing!

“This is an extremely serious situation all around the country. Our opinion polls indicate that folks are more upset about uninsured motorists than any other problem we asked about, including taxes”.

-Delaware Commissioner of Insurance David N. Levinson

What this is...

- This is an enforcement mechanism of **current law** whereby a certified law enforcement officer reviews visual data and issues a citation for failure to provide vehicle liability insurance on an auto.
- This system is a **police multiplier** that enables law enforcement to see many more motor vehicle license plates than at present (currently at 3-5% it would expand to approximately 80%).
- This system is an **interstate insurance data system** with insurance data on out-of-state vehicles.
- This system is an opportunity for **technology enhancements** for the Department of Motor Vehicles, the Department of Transportation and the Department of Public Safety (State Police).
- This is an opportunity for **uninsured motorist insurance rate reductions**. Actuarial estimates may be as much as \$100 per policy in most states.
- This system is an **additional source of revenue** to state and local governments, schools, law enforcement and all divisions of government that share in these revenues.

What this is not...

- This is **not a tracking system**. All data is dropped within 60 seconds unless a vehicle is cited for no current vehicle liability insurance.
- This is **not an invasion of privacy**. No names or addresses are used to match the data. The system has the support of major privacy advocates including the NAACP. The National Law Enforcement Telecommunications System is utilized as the secure site for the insurer data-vehicle information match.
- This is **not an increased obligation on insurers**. The system requires less of insurers that they report now with no parsing of data by state or jurisdiction. Insurers stand to gain substantial premium income once the system is fully implemented.

THE INSURENET

(INSURENET, INCORPORATED)

A Corporation Committed to:

Saving Countless Lives and Billions in Insurance
Losses Currently Passed Off to Policyholders and
Others, and....

Generating Billions More in New Revenues for
Government During a Time of Great Fiscal Crisis
by Simply Enforcing Current Laws.

A Perfect Storm... Solving Two Major Problems

InsureNet, Inc., (or simply, "the insurenet"), has developed a product that solves the problem regarding uninsured vehicles on our roads. This solution is more significant than it may first appear as today, one vehicle in five is uninsured and the cost to Society is in the tens of billions of dollars annually. For the average State, this solution can result in far safer streets and roads and hundreds of millions of dollars annually in new revenues. InsureNet's product has been accepted as "The National Law Enforcement Standard" by NLETS, (founded as the National Law Enforcement Telecommunications Systemnow the International Justice & Public Safety Network), which is the sole link for all law enforcement agencies in the United States. The InsureNet system has the potential to generate additional new revenues for States and local jurisdictions and to help ensure that our roads are safer by enforcing current laws regarding requirement for vehicles to have liability insurance. The system's implementation is also expected to result in reductions in the cost of vehicle insurance for existing policyholders.

InsureNet provides a complete turnkey system including the installation of scanners, (cameras and other equipment in all-weather housings), "safety cars", scanners mounted in existing law enforcement vehicles and much more. Interfaces, software implementation, detection of non-compliant vehicles and issuance and collections regarding citations for both interstate and intrastate traffic are all provided as part of the system. These processes and vendors involved have been well vetted for decades by government and are well-known to InsureNet as well. Partners include Federal Signal (the largest law enforcement equipment company in the world), Adesta Group, Telvent, Intelligent Imaging Systems and others. All Consortium Members with InsureNet complete a system designed to ensure both seamless communications and solution modules. All of these well known companies play a key role in ensuring the ultimate success of the project to the state.

Today, the opportunity to provide a real answer to the problems of states regarding uninsured vehicles been greatly enhanced. The future regarding both enhanced safety and new, additional revenues is very bright...and that future.... is here.

What has provided this opportunity? An almost "Perfect Storm"....that Solves Two Major Problems for State Governments has recently occurred.

There exists today, a near-perfect environment for this solution. Several factors have “aligned like stars” to ensure success for state governments. They solve both revenue and safety problems. Consider the following and their implications:

1. **Increasing Frustration with Owners of Uninsured Vehicles**

At this time, at least one vehicle in five is uninsured in the U.S. The prevalence of undocumented and uninsured aliens on our roads and much else has resulted in a situation in which the public sees a problem of almost “epidemic” proportions and one that it is increasingly unwilling to pay for. Uninsured coverage costs are also now quickly rising along with the unemployment rate, making matters even worse.

2. **The Communications “Miracle”**

The release of UHF channels from the transition to digital television and the ability to use that bandwidth to transfer massive data at very high speed over cellular at very low cost, ensures freedom from hard-wired pole sites except for basic power. The systems are so efficient that in many locations, solar panels can even handle power requirements. The biggest single obstacle to placing scanners at roadside is thus, now certainly *over*.

3. **Technology & Affordability of System Elements**

Automated license plate scanners have been used for years on state turnpikes. By utilizing this same technology for insurance verification the number of vehicles checked each year goes from 3-5% to more than 80%. This technology views only the back of the vehicle and drops all data for non-cited vehicles within 60 seconds. This results in safer roadways with higher compliance rates for existing compulsory insurance laws. In addition, recent advances in ALPR technology have seen price reductions of almost 50% while the efficiency of such systems continues to soar.

4. **The Ability to Collect on Citations**

Prior to September 18, 2007, and the activation of the National Offenders Clearing House under NRVC, (Non-Resident Violator Compact), it was difficult if not impossible, to ensure payment of citations regarding out-of-state vehicles and difficult to collect for even some intrastate citations. Today, there is no “escape” and the days of just ignoring a citation, (even an interstate citation), are over. Vehicle re-registration and drivers license renewal depend on paying and clearing any fines...including those regarding insurance....from any jurisdiction.

5. **A Complete Answer**

This system alone can handle all requirements regarding vehicle insurance. Other approaches are limited to only private passenger vehicles, and usually only a portion of those and seldom handle motorcycles and many types of trucks. This system handles all forms of both private and commercial vehicles. That includes snowmobiles, RVs and all interstate trucking, (“big rig” or IRP requirements)....our relationship with our Strategic

Partner IIS, enables us in fact, to handle ***everything with wheels and an engine.*** Via its NLETS connectivity, this system also supports Homeland Security/ICE, Amber, and Hot List Alerts.

6. Availability of Law Enforcement Officers

During a period in which crime is rising significantly, the number of law enforcement officers continues to fall due to the failing economy. Former Officers now constitute the largest-ever pool of available Officers in U.S. history. This source is a significant element of what is needed for cost-effective **law enforcement** to review and re-check information from scanners, for sign-off of citations, and also as dedicated operators/drivers of Smart Cruisers/Safety Cars.

7. Failure of Other Efforts

Fourteen States now receive electronic daily reporting and more are initiating demands for such reporting. This greatly supports State Governments and this system at a time when other concepts have failed.

Previous efforts focused on single state data base systems that targeted enforcement to in-state registered vehicles only. Recent court decisions have ruled that such systems violate the Equal Protection Clause of the federal and many state constitutions since they do not equally apply the law to all vehicles on the roadway.

Many of these state data bases also promoted a system that forced the government to go to the internet and try and find insurance status one-file-at-a-time then use a person's name and address to find status over the internet, (broadcast email to hundreds of insurers) This has been found to be in clear violation of Federal law, (DPPA - Driver's Privacy Protection Act). This so called IICMVA "Web-Enabled" Model has had major accuracy issues and currently does not operate for enforcement in any state. The InsureNet system cannot accept or maintain names or addresses and has no need for broadcast emails since the insurance data is received from the secure switch via NLETS. The InsureNet system has the support of privacy advocates and the NAACP and **is designed to be totally non-invasive.**

8. Selection of a National Standard

The selection of this system by NLETS as the national standard for vehicle insurance verification has been the most important event in ensuring success for State Government. The system can now meet the exact needs of many divisions of government. In each State, the Departments of Motor Vehicles, Public Safety/Law Enforcement, Revenue, Insurance, Homeland Security and Emergency Management, Attorney General, Courts and other stakeholders can all be fully and professionally

supported. NLETS is owned and controlled by your State Government, (and all other State Governments. Operational since 1961 and handling over 90 million transactions each month, it has never been compromised.

NLETS connects InsureNet to over 35,000 U.S. Law Enforcement Agencies and 1.2 million Officers. NLETS is the National Recovery System for the FBI which like InsureNet, is a Strategic Partner. Other NLETS Strategic Partners include U.S. Coast Guard, NCIS, CID, NCIC, NICB, and USDOJ. NLETS' link to CPIC provides InsureNet with connectivity to all Canadian Provinces and the NLETS link to INTERPOL links this system around the world.



9. Partnerships

This system is implemented by a Consortium of five companies, including the largest law enforcement equipment company in the world, (Federal Signal), the most respected ITS infrastructure company in the U.S., (Adesta), the worldwide organization with the most advanced technology, (Telvent), and the premier interstate trucking/commercial vehicle monitoring system, (IIS). The Consortium Members represent a "Dream Team" of well-known and respected entities, (three of them public with operations in over 60 countries), and a complete solution to any and all State Government requirements.

10. Government Deficits

The most significant catalyst for implementation at this time are current and, (at least for the next two years), continuing government deficits. With almost no exceptions, states and major cities are facing financial shortfalls of historic proportions. Even if the economy improves, (as is now being claimed will happen or has "started" to happen), that improvement will be very gradual and leave society with a long-term legacy of debt and the loss of much infrastructure. States now realize that this system cannot only deliver a very popular program without the requirement to pass a funding bill, but greatly assist to balance their budgets and enable critical, targeted projects.

InsureNet's proprietary technology...its product... is an accurate and automatic, non-invasive bridge between insurers and governmental entities, consisting of seven data elements. Through patent-pending approaches and Unique Codes, the system is accurate, instantaneous, easy to implement, and exceeds all privacy protection laws for both vehicle owners and insurers. NLETS controls all communications, not InsureNet and since NLETS is an extension of each state government, there can be no question of data ownership or control issues. Once the data is passed to a state URL is at NLETS, it has passed to the government just as has been the case for decades...nothing changes. Insurer data indicating whether the vehicle is insured or not passes through NLETS and is accessed via camera reading

technology (ALPR) and similar technology mounted in the grills or on top of Police Cruisers or by an officer or DMV staff member entering a license plate or other linked data in a computer.

This is the only possible solution. All other approaches have failed.

Basically:

No other approach can:

- Produce revenue; instead they must be funded.
- Provide data that is National in scope...all are one-State-only systems.
- Provide status on Canadian or Mexican vehicles.
- Provide status on commercial, IRP/ interstate trucking.
- Provide accurate data to law enforcement at the roadway and do so instantly.
- Provide interface with scanners, the primary revenue source.
- Protect privacy by being non-invasive. Other systems contain names and addresses and may distribute that data to hundreds of insurers over the internet, clearly violating federal and state Laws
- Ensure stability and success. They all have serious known accuracy problems.
- Support a state automatically. Other systems are all manual approaches, forcing government to obtain status from one company at a time over the net for each individual policy/vehicle combination and thus creating a vast amount of new, additional effort.

InsureNet is the only patentable system, the only accurate system, the only national system, the only Nlets-approved or hosted system, the only non-invasive system, the only all-vehicles system and the only way to solve this serious problem and thus benefit society by removing the vast majority of cost and danger regarding uninsured vehicles on U.S. roads.

We welcome any opportunity to speak with you further about the system. Please contact us at your convenience on 800.853.7267 or go to theinsurennet.com.