- non-invasive.

- inexpensive.

- totally secure.

- flexible and easy to install.

- will provide substantial savings for insurers.

- will provide additional revenue for governments and insurance companies.

- can benefit everyone involved, (except for those who seek to circumvent the law).

This is the only way to know the status of insurance policies to the very second. Any alternative delivers old and inaccurate information. This supports the purchase of a vehicle by supplying the exact insurance status at time of transfer. This also supports the purchase of vehicle insurance by providing a unique binder number generated automatically, providing protection and convenience for all parties involved.

This system provides additional benefits to agents without adding to their existing workload or incurring additional costs. It actually reduces the overall workload for government agencies, insurance agents and all of those involved in the general purchase or rental of a motor vehicle.

The benefits include…

- **Law Enforcement** - Six different ways are provided to instantly check insurance status. The result is absolute verification (active/inactive/fraudulent) down to the second.

- **Vehicle Registration** - Current status is checked instantly with or without an ID card. This applies to counter, net and mail-in applications; *no insurance means no registration.*

- **Courts** – Courts are provided with instant status and then, status for the date of citation and date prior to citation to identify back-dated policies.

- **Insurance Companies** - This provides the opportunity to dramatically reduce fraud and resultant costs by eliminating many of its causes. It also provides increased efficiency and service to existing policyholders.

- **State and Local Government** - A Local or State Government is able to offer a substantial benefits package to Citizens through this service… a fair, safe, law abiding, non-invasive, and efficient system. It also provides the opportunity to increase income from citations and premium tax. *This system can provide hundreds of millions in new revenues to large population States.*

- **The Public** - The system offers safer roads, better insurance, improved government service, lower taxes and insurance rates.

- **Purchasing a Vehicle** - Insurance status can be checked and verified instantly, before allowing a test drive and before transferring the title.

• **Purchasing Insurance** - Insurance purchase is faster and easier. A secure binder number is produced automatically to verify the transaction, thus eliminating confusion and fraud.

Security…

This incorporates sophisticated, multi-level anti-hacking software that shields every element of the system. This is despite the fact that the data has no names or addresses, is in 'blind" code and has no commercial value to anyone. Total protection is always ensured between any database/ data source. The security infrastructure provides secure generation and storage of
system master keys and fully encrypted IP transmission facilities for communication between insurers and all other parties.

Support Network…

The help desk center is maintained by local staff and is also backed by an automatic 'Question & Answer' telephone response system, (interactive voice response and also touch-tone prompts, both in three languages). This system is available 24 hours, 7 days a week. Many other types of support are available and have no additional cost for any State or Province. For example:
- Online support.
- Informative seminars available on request.
- Press kit assistance for Government and insurance agencies.
- Instructional media supplied with all installations.

Frequently Asked Questions:

How does it work?

This is hosted and empowered by NLETS, the nation's law enforcement communications system. Nothing is more secure and safe. It is linked to every law enforcement officer in every state and also linked to all Provinces of Canada, the FBI, and other law enforcement agencies and organizations around the world. It cannot however, share personal information….***it has none.***

Next, much of the data received and maintained by insurers is inaccurate; in fact the only data that they can be absolutely certain of is the policy number because they issued it. Much of the data received and maintained by governments is also inaccurate, (in fact, it is estimated that thirty percent of all VINs received by government, are wrong). Similar to the situation with insurers and policy numbers, the only field they can be certain of is the registration number and license plate number because that government issued them. This is simply the "perfect bridge" between insurers and governments. Using our proprietary, (patent pending), "clean bridge" technology, all concerns regarding inaccurate VINs and the need for many fields of invasive, personal data, (to try and match policies to vehicles), disappears. During the initiation of an "Add", (the addition of a new vehicle to an existing policy or a new vehicle insurance policy), policy information is entered by the agent, broker, customer service representative, or by an automated internet-based system. This application is either accepted or rejected by the insurer's system or representative. If rejected, the system remains unaware of the application. If accepted, the vehicle's VIN and policy number combination is automatically assigned a unique all-digit code that is then also linked to other identifiers, such as state and insurer.

This assignment might also be done by the insurer or an authorized insurer or agent association using blocks of unique codes (UCs) obtained via secure portals. All data is kept in "blind code" so that even if every security measure in this most secure of all facilities failed, the data would be seen by a hacker only as "gibberish" and impossible to manipulate or modify in any way, but again…..since 1961, no one has ever "broken in" to NLETS. The Smart Town UC assigned is used to ensure that vehicle registrations and any other status checks result in totally accurate status. Status is always current to the minute. Status can be provided to any DMV staff member, to any law enforcement officer checking a vehicle's registration, or to the courts which can be provided with automatic on-line access, (or, worst case, by calling an "800" telephone number and entering the UC verbally or by "touch tone"). Courts get current insurance status, status the date of citation and, to eliminate back-dated policies, status the date prior to citation. They can also access periods of coverage.

What does 'non-invasive' really mean?

This does not require and does not receive personal information of any kind. This unique approach

has gained the support of privacy and minority advocates. This demonstrates that it is possible to use systems capable of properly enforcing compliance with the law while not invading the privacy of individuals or insurers in any manner. This system can provide certain reports, (for example, when three or more insurers have insured the same vehicle, which almost certainly identifies a "repair scam"). In that case, the system automatically sends out notices to the governments and insurers involved, but again, this and other reports can never require or provide personal details.

Who pays for it?
The Smart Town system makes and/or saves money for every participant. Policyholders, governments, (especially law enforcement, registration/DMV, courts and if in place, toll ways), all benefit greatly.

Insurance agents and insurers are all substantial beneficiaries. No law enforcement entity ever pays any fee as this is intended to assist their efforts in protecting the Public. Likewise, the Public also pays nothing. There is no actual net cost to anyone or any entity. Optional, non-invasive reports of great value to the insurance industry are available, but again, these are optional. There may be other sources of revenue, but no insurer pays to lodge data. With market forces at work, the new funds that are created for the government, insurers and agents, will reduce the financial burden placed on policy-holders to insure vehicles; everyone benefits from Smart Town.

What if I am traveling in another State?
If you are stopped in another State, your insurance status can be instantly and accurately known by the law enforcement officer involved. NLETS is owned by all US States, Puerto Rico and the District of Columbia. It currently handles out-of-State queries. That means law enforcement anywhere will know the insurance status of the vehicle you are driving prior to leaving their car. They will see that status onscreen along with vehicle registration information. This is a national system and it can be paperless, no longer requiring that you maintain insurance ID documents.

Do All Insurers Embrace this System?
They should, but unfortunately some insurers pay their management on market share, and are not positioned to gain many new policyholders. As risk pools grow, those insurance company managers make less income under their current payment structure. Likewise, some insurers still believe that insurance should not be mandatory and resist all government reporting requirements and accountability. Other vehicle insurers are concerned about accountability with healthcare insurers regarding subrogation. However, this system does have the support of key insurers and those that evaluate the system and consider its vast benefits, embrace it. They recognize the added value of a national, non-invasive system. Insurers who understand the benefits want to dramatically increase their ROI long-term, and wish to enable their policyholders and Agents to also benefit. As acceptance grows, there is a recognition that those not participating can be more easily targeted for fraud which this system eliminates for participants. It will be increasingly expensive to do business for those insurers that are left behind.

How does it force people to buy insurance?
Vehicle insurance is now required in every state, (although a different term is used even New Hamp- shire now requires it.) Sometimes called "Financial Responsibility", it is all still "insurance" and with Smart Town, requirements will be fully enforceable for the first time. Whenever a law enforcement officer verifies the status of vehicle registration, insurance status will be supplied automatically. Registration, (both counter and "e" registration), can also be easily and automatically linked,ensuring that no registration is possible without current, valid insurance. In fact, this is the only possible method ever devised to ensure accurate "e" and regular mail registration. Likewise, safety and/or emission control stations, toll booths, linked traffic cameras and other sites can automatically check for insurance status without the requirement for names, addresses, or any other personal details. It is after all, not a person that is insured, but a vehicle. This is a complete, accurate, secure…..yet totally non-invasive system. There is no delay and no excuses with Smart Town. Registration without valid insurance becomes impossible and the role of law enforcement becomes far more efficient and safer.

Can this be just a "Law Enforcement" System?
Yes, in fact any Government entity, (or individual insurer), can implement this system and do so almost immediately. They do so with little or no cost or trauma and yet will enjoy immediate, massive benefits. A State

Police organization, for example, can, via NLETS, ensure that all Law Enforcement personnel who have access to their system can know, with absolute certainty, the exact insurance status of every vehicle when registration is checked.

Can this be just an "Insurer" System?
Yes, an insurer can provide ID cards with both the UC, (which is unique to each policy and VIN), along with an "800" number and email address that allows any policyholder, or anyone given an ID card by a policyholder, to verify status at any time. The system is available in English, Spanish and French. It can be used by policyholders to check that they have remembered to pay for their policy, to report an accident, theft or other emergency, and to provide to law enforcement, the courts or to another driver, the proof that they are in compliance with the law. This then, is a system fully supportive of both insurers and law enforcement. These features are not required but optional for insurers.

Is this US Communities approved?
Yes, and it can be contracted for by any governmental agency at Federal, State or local level immediately.

What happens if criminals copy the cards?
It does not matter. No ID card is actually required by this system. That is no longer what determines status. Uninsured status is instantly known if checked by law enforcement or the courts anywhere… with or without the card. The system will automatically return a "no record" response. It will soon be understood as most unwise to try and use any form of fraudulent card; there is simply no way to circumvent this system.

How does the system know if the card is fraudulent?
If there is an actual card, (this system can be paperless), and someone attempts to use it in the registration or verification process, the system immediately identifies it as such. Only documents which either identify "active" or… previous and now "inactive" coverage, are maintained in the system. All other queries will return a "no record" response. If either an "active" or "inactive" response should be not be delivered, a special warning is also provided to law enforcement, the courts, or other authorized user.

Why is this called the "National Insurance Status System"?
Because it is. This is not limited to a single company or group of companies, is operational "24/7/365", not just at certain times, not limited to a single state but available to all jurisdictions, is based on a total "dump" technology which frees insurers from having to sort by jurisdiction, (they simply send all daily activity to it), is available for use to every law enforcement officer in the United States without cost, and also to every person in the United States free of charge via telephone or the internet. It is the first and only "National Insurance Status System" in every possible regard. It is also accurate, non-invasive and complete. It is already beginning to dramatically benefit our Nation.

If someone had insurance but did not renew, how does the system know?
Only twenty of the over 5,000 Property and Casualty Insurers in the U.S. account for almost 89% of all policies written. In order to accommodate certain States, those insurers, (and hundreds of others), are now providing daily electronic updates to over a dozen States nationally. Smart Town takes data in any format and enables currently non-reporting insurers to also easily handle needs and enjoy dramatic benefits without cost. Either through the use of real-time secure portals provided to every agent and insurer or, with binders covering transactions…. at least once each day, the insurer's system automatically and without effort, will provide a list of "deletes", (suspensions, terminations, and/or cancellations).

Because insurers' systems only handle "deletes" daily, (they take effect only once each day), the moment the insurance company's own internal system is notified, a transmission is sent to Smart Town with notification that the status has changed and/or the change is "logged", preparing to change. Often, policies are cancelled at midnight, and Smart Town would have been notified earlier of the pending "delete", (certainly well before 12:01am), but at whatever time designated by the insurer and in choices documented previously, the policy is simply "turned off".

How can Smart Town stop a dishonest agent from 'back-dating' a policy?
Very easily; a back-dated policy will be identified as such. Every agent is provided a secure internet portal. This enables them to conduct business and know that any new policy or addition to a policy is recorded real-time. For agents who do not use the real-time features, insurers who wish to, can either use the UC as their activation code, as their binder number or link the UC to their binder number, SMART TOWN makes it impossible to back-date an insurance policy and not be discovered. In any of these cases, all policies are activated online and registered simultaneously or will be identified by law enforcement or the courts. This also stops more serious forms of premium diversion which is when a dishonest Agent receives money for a policy and supplies documents that will never be processed or processed only by back dating in the event of a claim. These types of fraudulent activity have a very detrimental effect on the Industry as a whole and on the policyholders who inevitably pay for this type of fraud in increased rates. Nationally, this alone will save tens of billions of dollars in losses each year that are now passed on to policyholders.

Our CEO is Paul Wilkening, and our COO is Dr. Scott Bolkema. Directors include Tim Bosscher, Andrew Fox, Rowland Day, Jonathan Miller and Mike McGrey. IX Group is a Member-Partner of the National Public Safety Consortium. Consortium Members have offices in every U.S. State and operate in 183 Nations. Collectively, Consortium Members had earnings in 2014 of well over $97 billion, and just over one million employees.