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New Zealand Transport Agency Waka Kotahi
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Dear Rules Team

## ICNZ Submission on Proposed Changes to Modernise NZTA Service Digital Licences

Thank you for the opportunity to provide feedback on the proposed changes to modernise NZTA service that may include digital licences and compliance certificates.

### About ICNZ

Te Kāhui Inihua o Aotearoa | The Insurance Council of New Zealand (ICNZ) represents general insurers. ICNZ members provide insurance products ranging from those usually purchased by consumers (such as home and contents insurance, travel insurance, and motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, professional indemnity insurance, cyber insurance, commercial property and commercial motor insurance, and directors and officers insurance).

### Digital Driver Licenses

ICNZ is of the view that the electronic alternatives proposed to replace physical driver licences and vehicle compliance certificates should have some useful advantages over the present physical plastic labels with improved accessibility, security and convenience. For insurers the access to more current information would be one of the significant benefits, however NZTA should be aware of a few potential concerns that our members have raised.

We have outlined a number of issues, questions and comments about the digital driver licence proposal that may be helpful and worth considering.

1. Can we assume the smart phone application (App) will include a photo ID element to ensure the person presenting the App to be verified can be compared to their associated digital photo?
2. There would need to be some contingency arrangements for phone loss, device failure, cyber incidents, and system outages. This is especially important if driver licence details are unavailable at a roadside police check.
3. At present there are different colours of plastic licences (for Learner etc.). Will the App have similar quick colour reference on it, or will it be necessary for the holder to consent to their licence type to be shared?
4. Providing an email address and a mobile number to NZTA is fine if it is a personal number, but what about if a person provides their work number and then they change employers resulting in no access to email, or the phone number is disconnected or given to the next employee. There would be a clear need for both a personal permanent email and phone number to be communicated to the public as part of the process.

5. The document says internet isn't required but via the image in the consultation document, the party wanting to verify does apparently need internet access for it to verify.
6. Age of device holding the Digital Licence could be an issue. As time passes Apps generally get updated for various reasons including catering to more advanced phones. Potential problem is that will the App cease to work on an older device as time passes? It seems many App developer cease supporting old devices over time.
7. How would you transfer to a new phone an existing digital driver's licence if you don't have a plastic one to first scan? This is something that will likely need some planning such as the updating of a phone versus a broken non-operational phone or a lost or stolen phone. If it is tied to a phone number, then perhaps that is the path.
8. We ask how it could work if some customers may share a smartphone between them. Many retired people may share a phone. This then makes it likely necessary for more than one licence to be linked to the one device.
9. Insurance claims verification may require taking a photo of the driver's licence. Asking for a screen shot of the App display from a customer/driver via email or phone would seem to be an area where potentially illegal sharing might possibly be a concern if a photo is not embedded.
10. It would seem desirable that if the licence holder reached 100 demerit points, they should get clear messaging that they are now suspended for 3 months. That sort of functionally would be practical.
11. With the January 2027 Graduated Licences changes, a good functioning App would appear a great way to track progress of the ability to move up a the drivers licence levels and also spell out delays/extensions due to offences.

Vehicle Compliance Certificates

I. For insurers, claims handling may become more challenging if insurers assessors, or investigators cannot easily verify the WoF, CoF and registration status when the owner/driver is unavailable. Physical labels currently provide an immediate reference point for insurers and recovery agents, whereas a fully digital solution may make verification more difficult in certain circumstances. This could slow down claim's settlements.

II. Their needs to be confidence that insurers and other third parties will have reliable access to compliance information independent of the customer's device.

III. Removal of physical labels also removes a useful visual reminder for owners to maintain registration and inspection requirements, which could increase inadvertent non-compliance. This could also be an issue for others that may occasionally drive the vehicle not knowing if the vehicle is legal to be on the road.

IV. The vehicle compliance labels such as WOF's, COF's, vehicle registration, loading certs etc, would have to be loaded on to the driver's mobile device. With a transport fleet operation with multiple drivers, this could be a problem.

V. It would seem important that a heavy vehicle's Loading Certificate should be always available to the driver. Relying on 100% cellular network coverage to obtain this on the spot may not be possible.

VI. Device security. The driver would have to have a good standard of security on their mobile devices, and this may be challenging if there is reliance on a driver using their personal devices to hold these compliance certs.

The consultation document outlines the ability for vehicle owners and driver licences holders to retain their plastic licence cards and vehicle compliance labels; however, this will likely create a complex dual verification process that will over time could be resource consuming or even confusing for some people.

ICNZ recommends that NZTA digitise the driver's licences first and run that for a year or two, then move to digitising the vehicle compliance certificates. Instead of these vehicle compliance certificates being held only on a person's phone they could be stored on a vehicle attached data tag like a contactless Radio Frequency Identification Device (RFID). These devices are often used for auto road toll charging and also current the Low Volume Vehicle Certification information plates. Enforcement agencies as well as the public can simply access the RFID information using an appropriate mobile phone application.

Please do not hesitate to contact me if you encounter any questions.

Yours sincerely

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