

## **Online Insurance Verification System Advisory Council**

Meeting Minutes for Wednesday, January 24, 2018

Conference Call Meeting

**Members Present:** Jay Starling, Troy Thigpen, Jerry Workman, Greg Tucker, Shelia Moore, Kim Decker, Todd Feltman, Alex Hageli, and Ken McFeeters.

**Members Absent:** Michael Robinson, Dustin Wilson, Ken Needham, and John Morales.

**Others Present:** JC Pruitt (Winston County), Jonathan Lawrence

### **Call to Order**

The meeting was called to order at 10:03 a.m. by Mr. Starling.

### **Roll Call**

Mr. Starling conducted the roll call, and also welcomed the newest member of the Advisory Council, Jerry Workman. Mr. Workman is the new Alabama Department of Insurance representative on the council.

### **Approval of October 18, 2017 Meeting Minutes**

The minutes of the October 18, 2017 meeting were approved with no corrections.

### **OIVS Update**

Mr. Thigpen discussed the 4Q, 2017 MLI Statistics that were emailed to the council for review on January 12, 2018. He explained that in October 2017, the department discontinued mailing a Notice of Suspension (NOS) questionnaire postcard. He explained that the NOS questionnaire postcard is not required by law. Registrants will continue to receive an MLI questionnaire via mail or email, when available. A NOS will continue to be mailed to the registrant's last known address via first class mail, as required by law. The NOS are being mailed by Department's Central Mail Room. Mr. Thigpen added that the primary change between the 3Q2017 and the 4Q2017 MLI stats is that no NOS questionnaires were sent via email. Mr. Starling added that when a registrant responds to the MLI questionnaire that they did not have insurance on the insurance verification date, a NOS letter is immediately mailed to the registrant. If the registrant fails to respond to the questionnaire, the NOS is mailed within thirty (30) days of the date the questionnaire was sent. In either case, the registration is suspended thirty (30) after the NOS is mailed.

### **New Business**

Mr. Thigpen stated that per discussion during the previous council call, the ADOR reached out to ten (10) of the largest Alabama insurers to request books of business (BOB) files on a more frequent basis. Currently the BOB files are provided monthly or quarterly. Mr. Thigpen added that all but one (1) of the ten (10) companies are now submitting the BOB files on a daily or weekly basis, and the remaining company plans to begin submitting a weekly file in February 2018. Mr. Thigpen also added that receiving the files on a more frequent basis will allow ADOR to better track policy changes which will reduce the number of insurance questionnaires sent to registrants who had insurance. Mr. McFeeters asked if ADOR had any issues getting the requested files from Cornerstone National Insurance. Mr. Thigpen replied that based on the size of their customer base, the insurer was not contacted.

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Mr. Starling reported that there is proposed legislation that would increase the percentage of reinstatement fees retained by licensing officials from ten (10) percent to fifteen (15) percent. Mr. McFeeters asked the monetary amount of reinstatement fees collected in 2017. Mr. Thigpen reported that Alabama collected 7.6 million dollars in reinstatement fees during the previous fiscal year. Mr. McFeeters asked if the collections were distributed to the state general fund. Mr. Starling responded that MLI reinstatement fees received by ADOR (after commissions) were distributed to the Peace Officer's Annuity fund (15%). The remainder is used to fund the MLI program (programming, processing, printing and mailing, salaries, equipment, etc.). Any unused funds is distributed to the state general fund. Mr. Starling added that over time reinstatement fees collected should gradually decrease as more people comply with the mandatory liability insurance (MLI) law. Mr. Starling stated that during the first year of the online insurance verification system (OIVS) program that figure was closer to 2 million dollars. Mr. McFeeters asked if ADOR was utilizing the same printing/ mailing vendors that was used during the beginning of the MLI program. Mr. Starling replied that original MLI vendor has not been used since the online insurance verification program began. Mr. Starling added that the ADOR processing vendor is being used to process MLI questionnaire postcards, and the vendor that is used to print and mail vehicle titles is being used to print and mail MLI questionnaire postcards. The State of Alabama Central Mail Room prints and mails Notices of Suspension (NOS).

Mr. Starling reported that last year there was a law change that allows the Alabama Law Enforcement Agency (ALEA) to issue a citation to uninsured motorists who were involved in accidents. He added that ALEA uses OIVS to verify insurance

Mr. Starling reported that Alabama will be attending the upcoming Insurance Industry Committee on Motor Vehicle Administration (IICMVA) conference in Denver, Colorado.

### **Next Meeting**

The next meeting of the advisory council is scheduled for April 18, 2018. The meeting will be held via conference call. A new conference call number will be used. A conference call invitation, agenda, quarterly OIVS and MLI statistics, and the meeting minutes will be sent to all advisory council members

The meeting was adjourned at 10:25 a.m. by Mr. Starling.

*Respectfully submitted by:* Troy Thigpen

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**Alabama MLI Statistics**

**4th Quarter - 2017**

<b>OIVS Summary</b>	
First Request OIVS Totals	14,172,503
Second Request OIVS Totals	443,632
Other OIVS Request Totals	39,751
<b>Total OIVS Requests</b>	<b>14,655,886</b>

<b>Correspondence Sent</b>		
Questionnaires Via Mail	115,211	70.7%
Questionnaires Via E-Mail	8,128	5.0%
* NOS Via Mail	39,719	24.4%
<b>Total Correspondence Sent</b>	<b>163,058</b>	<b>100%</b>

<b>Responses Received</b>		
Questionnaires-MLI System-clerk entry (mail, fax, or walk in)	21,520	49.8%
Questionnaires - Registrant Response System	10,259	23.8%
NOS-MLI System-clerk entry (mail, fax, or walk in)	6,931	16.0%
NOS-Registrant Response System	4,475	10.4%
<b>Total Responses</b>	<b>43,185</b>	<b>100%</b>

<b>MLI Summary</b>		
R1 (\$200 fee paid)- 1st Violation	8,835	6.7%
R2 (\$400 fee paid)- 2nd Violation	723	0.5%
R3 (No fee paid) -Valid Insurance	8,759	6.7%
CL-Closed Record Prior to Suspension	8,645	6.6%
VR-Revoked Registration	26,172	19.9%
1st Suspension (S1)	66,233	50.3%
2nd Suspension (S2)	12,251	9.3%
<b>Total Responses</b>	<b>131,618</b>	<b>100%</b>

\*In October, the Notice of Suspension (NOS) questionnaires stopped being sent and were replaced by NOS letters sent from the Alabama Department of Revenue Central Mail room. The NOS emails also stopped being sent.