

Online Insurance Verification System Advisory Council

Meeting Minutes for Wednesday, April 17, 2019

Conference Call Meeting

Members Present: Jay Starling, Troy Thigpen, Captain Jonathan Archer, Ken Williamson, Greg Tucker, Sheila Moore, John Morales, Todd Feltman, Alex Hageli, and Ken McFeeters.

Members Absent: Dustin Wilson, Ken Needham and Kim Decker.

Others Present: Major Deana Pregno and Sherry Helms

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. Mr. Starling recognized Captain Archer as the new ALEA representative on the council.

Approval of Previous Meeting Minutes

The minutes of the January 23, 2019 meeting were approved without any corrections.

OIVS Update

Mr. Starling asked if there were any questions about the 1Q, 2019 MLI Statistics that were emailed to the council for review by Mr. Thigpen. Mr. McFeeters asked how much money in reinstatement fees were collected. Mr. Thigpen replied that \$8.1 million was collected for fiscal year 2018 and that \$7.6 million was collected for fiscal year 2017. Mr. Thigpen clarified that the department's fiscal year runs from October to September. Mr. Feltman asked how the backlog of Notices of Suspension (NOS) mentioned during previous conference calls affected the fees collected. Mr. Starling replied that there is no longer a backlog; however, generally the registrants that receive the NOS do not address their MLI issue until renewing their registration, and registration renewals are staggered. Therefore, more NOS being mailed out does not immediately equate to an increase in reinstatement fees being collected in a month. Mr. Hageli asked how the department's effort to send more notices via email was going. Mr. Thigpen replied that the effort was going well, and it has been very effective in reducing the printing and mailing costs of paper MLI notifications. Mr. Thigpen added that the department would continue to encourage licensing officials to collect email addresses to further reduce costs.

New Business

Mr. Starling stated that it was recently brought to the department's attention that two (2) of the insurance industry groups that provide representation on the advisory council have merged. Mr. Hageli stated the American Insurance Association (AIA) and the Property and Casualty Insurers Association of American (PCI) have merged to form the American Property Casualty Insurance Association (APCIA). Mr. Starling stated that this change must be addressed because the law specifically states that the two (2) former groups, AIA and PCI, must have representatives on the council. Mr. Starling suggested that the language in the law be amended to require one (1) representative from AIPCA and that four (4) representatives for the Department of Insurance (DOI) be required. Mr. Starling stated that change would allow Kim Decker to remain on the council as a representative for Farmers Insurance. Mr. Feltman stated his support of the recommendation, as did Ms. Moore. Mr. Starling stated that the change is dependent on the DOI's Commissioner's approval as stated in the law. Mr. Williamson stated

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that he would speak with the Commissioner, and that he did not anticipate any issues with the proposed change.

Mr. Starling stated that the 2019 MLI legislative proposal discussed during previous council calls was introduced as a bill in the Senate and that a companion version of the bill was also introduced in the House. He stated that if the legislative changes passed, they would be effective January 1, 2020. Mr. Starling added that the department is pleased about the elimination of the required four (4) month registration suspension period for second and subsequent MLI violations included in the bill, and licensing officials are pleased about the increase in the reinstatement fees they retain increasing from 10% to 15%.

Next Meeting

The next meeting of the advisory council was scheduled for July 17, 2019.

The meeting was adjourned at 10:21 a.m. by Mr. Starling.

Respectfully submitted by: Troy Thigpen

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**Alabama MLI Statistics
1st Quarter - 2019**

OIVS Summary	
First Request OIVS Totals	15,150,105
Second Request OIVS Totals	1,075,240
Other OIVS Request Totals	42,067
Total OIVS Requests	16,267,412

Correspondence Sent		
Questionnaires Via Mail	115,690	60.0%
Questionnaires Via E-Mail	15,988	8.3%
NOS Via Mail	61,126	31.7%
Total Correspondence Sent	192,804	100%

Responses Received		
Questionnaires-MLI System-clerk entry (mail, fax, or walk in)	18,068	55.4%
Questionnaires - Registrant Response System	14,520	44.5%
NOS-MLI System-clerk entry (mail, fax, or walk in)	43	0.1%
NOS-Registrant Response System	2	0.0%
Total Responses	32,633	100%

MLI Summary		
R1 (\$200 fee paid)- 1st Violation	9,608	5.7%
R2 (\$400 fee paid)- 2nd Violation	692	0.4%
R3 (No fee paid) -Valid Insurance	7,825	4.6%
CL-Closed Record Prior to Suspension	19,649	11.6%
VR-Revoked Registration	26,362	15.6%
1st Suspension (S1)	95,609	56.7%
2nd Suspension (S2)	8,934	5.3%
Total Responses	168,679	100%