

Online Insurance Verification System Advisory Council

Meeting Minutes for Wednesday, April 25, 2018

Conference Call Meeting

Members Present: Jay Starling, Troy Thigpen, Shelia Moore, Kim Decker, and Ken McFeeters.

Members Absent: Michael Robinson, Dustin Wilson, Ken Needham, Jerry Workman, Greg Tucker, Todd Feltman, Alex Hageli, and John Morales.

Others Present: JC Pruitt (Winston County), Jonathan Lawrence, 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. Ms. Decker previously spoke with ADOR and informed them that she was present on the previous council call. Mr. Starling told Ms. Decker that the previous minutes would be updated to reflect that.

Approval of October 18, 2017 Meeting Minutes

Due to not meeting the required quorum, the minutes of the January 24, 2018 meeting could not be approved.

OIVS Update

Mr. Starling asked if there were any questions about the 1Q, 2018 MLI Statistics that were emailed to the council by Mr. Thigpen for review on April 9, 2018. There were no questions from the council.

New Business

Mr. Starling reported that the proposed legislation (increasing the percentage of reinstatement fees retained by licensing officials from ten (10) percent to fifteen (15) percent; increasing the monetary amount that licensing officials can retain per year from \$10,000 to \$50,000) discussed during the last council call did not pass. Mr. Starling also reported that ADOR is working on a legislative proposal for the 2019 legislative session. Mr. Starling explained that the change would simplify the MLI process for licensing officials and ADOR.

Mr. Starling reported that a licensing official suggested license plate surrender be required for registrants claiming exempt status. The proposal process would be that when registrants claim exempt status, they have to surrender the plate and ADOR then denotes the registration as revoked. Mr. Starling explained that when the OIVS law was first introduced, licensing officials were against the idea. Mr. Starling further explained that ADOR often receives reports registrants being encouraged to choose an inoperable or stored response. Ms. Decker stated that Oklahoma looked into the idea of surrendering plates; however, law enforcement and insurance companies did not like the idea because there were worries of being accused of profiling. Ms. Decker stated personally she thinks it's a great idea to require the surrender of plates when registrants claim inoperable or stored status.

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Mr. McFeeters stated that overall the MLI laws have been effective. He noted that his company's renewal business is up from years past and that new business is down. Mr. McFeeters stated that is a reflection of the law encouraging people to keep their vehicles insured. Mr. Starling added that he believes that the next Insurance Research Council report will reflect the current improved uninsured rate; he added that the next report would be available in two (2) years and right now ADOR utilizes crash data to estimate the uninsured motorist rate.

Ms. Moore stated that there is a problem with insurance companies having incorrect VIN numbers in their system, despite the VINs being correct in the licensing officials' records. She stated that some customers do not seem to understand, due to language barriers, that the insurers will need to correct the VIN to prevent future issues. Ms. Helms stated that when insurers send in their Books of Business files to ADOR, they in turn receive a report informing them of any unmatched VINs. Ms. Helms added that the insurers can use the information to reach out to registrants to get the VIN corrected; however, not all insurers do that. Ms. Decker stated that most companies pay attention to those error reports and attempt to fix the issues, and she added that over time, she believes the VIN issues will decrease. Mr. Starling stated that ADOR has been proactive in helping insurers to make sure that VIN numbers are correct to reduce issues. Mr. Starling added that ADOR has considered "soft VIN matching" but feels that doesn't fix the issue. Mr. McFeeters and Ms. Decker explained that a lot of the computer software used by insurers prevents them from entering an incorrect VIN number; the system will simply not accept an incorrect VIN. They explained that it reduces errors a great deal. Mr. McFeeters further added that even smaller insurers utilize VIN verification software and sometimes insurers have to reach out the software developers to "push" correct VINs through because the system will not accept the VIN based on the vehicle's make, model, and year.

Next Meeting

The next meeting of the advisory council is scheduled for July 18, 2018. The meeting will be held via conference call. 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 10:29 a.m. by Mr. Starling.

Respectfully submitted by: Troy Thigpen

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Alabama MLI Statistics

1st Quarter - 2018

OIVS Summary	
First Request OIVS Totals	14,849,793
Second Request OIVS Totals	649,606
Other OIVS Request Totals	47,697
Total OIVS Requests	15,547,096

Correspondence Sent		
Questionnaires Via Mail	115,250	47.3%
Questionnaires Via E-Mail	12,685	5.2%
* NOS Via Mail	115,555	47.5%
Total Correspondence Sent	243,490	100%

Responses Received		
Questionnaires-MLI System-clerk entry (mail, fax, or walk in)	21,785	67.1%
Questionnaires - Registrant Response System	10,632	32.7%
** NOS-MLI System-clerk entry (mail, fax, or walk in)	69	0.2%
NOS-Registrant Response System	0	0.0%
Total Responses	32,486	100%

MLI Summary		
R1 (\$200 fee paid)- 1st Violation	14,063	6.9%
R2 (\$400 fee paid)- 2nd Violation	1,245	0.6%
R3 (No fee paid) -Valid Insurance	17,549	8.6%
CL-Closed Record Prior to Suspension	7,076	3.5%
VR-Revoked Registration	27,324	13.4%
1st Suspension (S1)	110,419	54.1%
2nd Suspension (S2)	26,513	13.0%
Total Responses	204,189	100%

*In October 2017, the Department began mailing Notice of Suspension (NOS) letters instead of NOS questionnaires.

**Although, the Department discontinued mailing NOS questionnaires, responses to previously mailed NOS questionnaires were received.