

Online Insurance Verification System Advisory Council

Meeting Minutes for Wednesday, July 19, 2017

Conference Call Meeting

Members Present: Jay Starling, Troy Thigpen, Charles Angell, Daniel Urquhart (for Michael Robinson), Greg Tucker, Sheila Moore, John Morales, George Cooper, and Ken McFeeters.

Members Absent: Dustin Wilson, Ken Needham, Alex Hageli, Michael Robinson, and Harvey Fischer.

Others Present: Sherry Helms and Todd Feltman.

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.

Approval of April 19, 2017 Meeting Minutes

The minutes of the April 19, 2017 meeting were approved with no corrections.

OIVS Update

Mr. Thigpen asked if anyone had any questions about the 2Q, 2017 OIVS and MLI Statistics that were emailed to the council for review on July 17, 2017. Mr. Cooper asked if there was a direct correlation with the "Responses Received" and the "Correspondence Sent" section of the statistics. Mr. Starling explained that there was a not direct correlation and that this was a representation of activity for a specific period of time (i.e. 2Q, 2017). Therefore, some of the responses in the statistics could be for MLI Questionnaires and Notices of Suspension mailed during previous quarter.

New Business

Mr. Starling reported that Julie Magee is no longer the Commissioner of the Alabama Department of Revenue. The new Commissioner is Vernon Barnett. Commissioner Barnett has appointed Mr. Starling to serve as Chair of the council. Troy Thigpen was appointed by Mr. Starling to serve as the department's second representative.

Mr. Starling reported that changes will soon be made to the Alabama Department of Revenue's (ADOR) website, and that the goal of the changes is to make the site easier to navigate. He added that there will be a link on the website to www.besuretoinsureal.com and Insurance Advisory Council.

Mr. McFeeters asked if OIVS was profitable for ADOR. Mr. Starling explained that it's difficult to say but that when licensing officials process a reinstatement, they receive a commission. A portion of the funds also go the Peace Officer Annuity Fund and some goes to the General Fund after all department costs of the program are paid. He also added that last year ADOR collected over 3 million dollars in reinstatement fees.

The purpose of OIVS is to reduce the uninsured motorist rate; not generate revenue. Mr. Starling stated that research from our sources indicates Alabama's current uninsured rate is 12%; however, the department's goal is for the rate to be less than 10%.

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During previous council calls, Mr. Cooper expressed concern about the large volume of OIVS requests received by insurers. Mr. Starling stated that as more states adopt OIVS, the volume of requests will only increase. It has been suggested by insurers that ADOR reduce insurance re-verification requests after insurance coverage has been consistently confirmed on a vehicle for a period of time. Mr. Starling stated that the suggestion is possible, but it would require major programming changes by the department. He added that the department feels that a "hybrid approach" is best. This approach attempts to first re-verify insurance coverage via Books of Business (BOB) files and then via OIVS as needed. ADOR programmers analyzed this approach and determined that it would reduce OIVS re-verification requests by 60 percent. Mr. Starling reminded the council that this hybrid approach would only be for the department's re-verification process; law enforcement and county officials would continue to utilize OIVS for real-time verification related to accidents, traffic stops, and registration transactions. Mr. Starling asked if ADOR's proposal was discussed at the April IICMVA meeting. Mr. Cooper responded that the idea was not brought up at the April IICMVA meeting; however, it is on the agenda for the next meeting. Mr. Cooper also expressed concern that BOB file verifications would be utilizing old data and that the process would be a move backwards from the more advanced real time verifications. He also mentioned that other states are seeing issues when relying on BOB files for verification. Mr. Cooper concluded that to prevent those issues he prefers to continue with OIVS as it currently functions.

Mr. Starling reported that Illinois recently contacted Alabama regarding Alabama's OIVS program.

Mr. Cooper announced that he would be retiring from State Farm Insurance soon, and therefore, he would be stepping down from his position on the Advisory Council. He stated that he would be replaced on the council by Todd Feltman (also with State Farm Insurance). The National Association of Mutual Insurance Companies (NAMIC) has approved Mr. Feltman's appointment to the Advisory Council. Mr. Cooper added that he would not be attending the next IICMVA meeting. The council members expressed their gratitude for Mr. Cooper's immense contributions to Alabama's OIVS program.

Next Meeting

The next meeting of the advisory council is scheduled for October 18, 2017. The meeting will be held via conference call. A conference call invitation, agenda, and the meeting minutes will be sent to all advisory council members.

The meeting was adjourned at 10:38 a.m. by Mr. Starling.

Respectfully submitted by: Troy Thigpen