

Online Insurance Verification System Advisory Council

Meeting Minutes for Wednesday, July 20, 2011

Members Present: Julie Magee, Jay Starling, Harvey Fischer, George Cooper, Greg Tucker, The Honorable Luke Cooley, Greg Erath, Jeff Bradwell, Alex Hageli, Michael Robinson, Ken McFeeters, Charles Angell, Lori Biscaglia (for Ken Needham)

Members Absent: Ken Needham

Others Present: Brenda Coone, Mike Mason, Sherry Helms, Ginger Johnson, Steve Houston, Mike Gamble, Byron Shehee

Call to Order: The meeting was called to order by 10:01 a.m. by Chair, Julie Magee

Introductions of Council Members:

Council members introduced themselves. Prior to the meeting, council members were provided a document that included the name, title, organization, telephone number and email address of each council member.

Review of Duties of the Advisory Council:

Mr. Starling discussed the duties of the advisory council. Prior to the meeting, council members were provided a document that included the council member responsibilities.

Review of Act 2011-688:

Act 2011-688 provides that the council will be responsible for working with the Department of Revenue to develop the online insurance verification system. The system must be operational on January 1, 2013. Testing must begin by April 2012 in order for the department to meet the nine month testing period provided for in the statute. A copy of the act was provided to the council members prior to the meeting.

A detailed description of the current process the department utilizes in order to randomly verify evidence of insurance was provided. This discussion was beneficial for council members to fully understand the current process.

Mr. Starling lead the discussion on the most effective way to obtain insurance information (NAIC and policy number) so that licensing officials will not need to capture this information for every registrant during the motor vehicle renewal process. It was decided that the department would use this information to determine whether vehicles not covered by a liability insurance policy had been registered. The NAIC and policy number information from insurance carriers would populate the department's registration database. The department would then push or counties would pull this data into their county systems. Everyone agreed that county vendors

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will need to amend their systems to capture both the NAIC and policy numbers in the registration database.

ALFA and Allstate both agreed to send us a small file of data so that we can test the matching of VINs. ALFA will try to send the file within two to three weeks. Once this process has been completed and issues have been addressed, the Motor Vehicle Division will draft a letter to be sent to insurance carriers requesting files containing NAIC and policy numbers. We will define the file format for the data to be sent and will use the format contained in the IICMVA *Insurance Data Transfer Guide*, Version 1.0, dated August 25, 2010.

A discussion was held regarding whether evidence of insurance would be verified after a vehicle registration has been issued. The department will verify evidence of insurance on a recurring basis. While the department's plan was to verify insurance for all applicable vehicle registrations, several council members stated that if the vast majority (75% was mentioned) continually receive a response of confirmed, then the department should consider amending its plan. Various proposals were discussed regarding the best method to reduce the number of registrations to be verified. The council requested that the department offer recommendations for the council to consider.

Review of IICMVA Publications:

Prior to the meeting, the council was provided the following documents published by the Insurance Industry Committee on Motor Vehicle Administration (IICMVA):

- IICMVA brochure
- IICMVA Model User Guide
- IICMVA Data Transfer Guide

The IICMVA brochure provides a summary of the online insurance verification process as recommended by the IICMVA. The IICMVA Model User Guide includes the recommended specifications and standards provided in Section 32-7B-4(2) of Act 2011-688. The IICMVA Data Transfer Guide includes the recommended data file layout that will be used to collect the NAIC and policy numbers.

Project Timeline:

- Sample data files provided by ALFA and Allstate – 8/1/2011
- Collection of NAIC and policy numbers – 11/1/2011
- Online Insurance Verification System testing begins – 4/1/2012
- Online Insurance Verification System in production – 1/1/2013

Schedule Next Meeting(s):

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Chair Julie Magee queried the council to determine if there was interest for alternative ways to meet such as conference calls and Go to meetings technology in case face-to-face meetings became a challenge for those members who must travel a distance. Council members were receptive to the alternatives presented. The council agreed to meet every second Wednesday of the month at 10:00 a.m.

Next Meeting: Gordon Persons Building, Room 4112, August 10, 2011 at 10:00 a.m.

Adjournment: The meeting was adjourned by Chair, Julie Magee at 12:12 p.m.

Respectfully submitted by Brenda R. Coone