

Online Insurance Verification System Advisory Council

Meeting Minutes for Thursday, October 20, 2011

Members Present: Julie Magee, Jay Starling, George Cooper, Greg Tucker, The Honorable Luke Cooley, Ken McFeeters, Ken Williamson (for Charles Angell), Lori Biscaglia (for Ken Needham), Jerry Workman (for Harvey Fischer), Daniel Urquhart for (Michael Robinson)

Members Present via Conference Call: Alex Hageli

Members Absent: Ken Needham, Harvey Fischer, Michael Robinson, Charles Angell, Jeff Bradwell, Greg Erath

Others Present: Brenda R. Coone, Sherry Helms, Ginger Johnson, Mike Gamble, Cpl. John Hall, DPS - Safety Responsibility, Steve Houston, ALFA

Others Present via Conference Call: Dino Losacco, Allstate Insurance

Call to Order: The meeting was called to order at 10:10 a.m. by Mr. Jay Starling.

Roll Call

Mr. Starling conducted the roll call.

Approval of September 28, 2011 meeting minutes

The minutes of the September 28, 2011 meeting were approved with no corrections.

Insurance data transfer update

The letter to insurers requesting that insurance data be transmitted to the DOR in order to prepopulate the registration database and reduce the inconvenience to Alabama registrants at renewal time was mailed on October 4, 2011. Allstate Insurance has successfully completed the transmission of their data to the DOR and we are working on updating the registration database, ALVIS, to accept the NAIC and policy number data.

Mr. Starling, along with several council members, indicated that they have received several inquiries from insurers regarding how commercial policies will be handled. Mr. Starling discussed the proposed rule exempting commercial line policies from insurance verification. Each council member was provided a copy of the rule and asked to review and provide comments so that the department can begin the rule making process.

LexisNexis, ISO and IVANS were discussed by Mr. Starling. The primary question was should these companies be included in the OIVS web service setup? It was explained that these companies contract with insurance companies to provide insurance verification on their behalf,

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and should be included in the OIVS web service setup. The DOR web service would hit the contractor's database rather than the individual insurance company databases. Choice Point previously provided this service, but was acquired by LexisNexis. Rather than setting up individual web services with several different companies, the web services can be set up with their insurance verification contractor (ISO, IVANS, and LexisNexis) so we can access the insurer's information.

Council members acknowledged the fact that all insurers may not participate in the data transfer project. It was agreed that beginning January 1, 2012, county licensing officials will begin collecting NAIC and policy numbers for the registrants whose insurers have not sent data to DOR.

Insurance verification vendors

Mr. Starling apprised the meeting attendees that we have received the revised list of vendors for class code 920, subclass 21 from state purchasing and there are 84 vendors on the list. Vendors will be scheduled to present their product at the next council meeting in November. A proposed checklist was also distributed to council members to be used during the vendor presentations. The checklist was devised upon requests of council members during the September 28th meeting. As we were unclear regarding what council members were expecting, each member was asked to provide input so that the document can be finalized.

The proposed letter to vendors was reviewed and discussion was held regarding when to begin vendor demonstrations. One minor change was recommended to the letter. The deadline date for vendors to respond is November 4, 2011. The council agreed to begin the vendor visits during the November meeting. Approximately fifteen (15) minutes per vendor will be allotted. The purpose of the demonstrations is strictly for information gathering. No decision will be made regarding whether to use a particular vendor or not as a result of the vendor visits.

The UA Center for Advanced Public Safety (CAPS) is working on posters and flyers to advertise the new system. This information should be available for the council to review at the December meeting. There will also be television ads, radio ads, as well as billboards.

Ms. Johnson stated that insurers can minimize the burden on their policyholders by beginning the education process now. In Georgia, ALFA sent letters to their policyholders and informed them to review the VIN on the vehicle, registration receipt, and the insurance card and if the VINs did not match, the customer needed to take action to resolve the discrepancies. This approach seemed to lessen the amount of stress the registrants faced during the registration renewal process. The MVD will provide insurers with the information they need to communicate to policyholders.

Mr. Houston asked if the department was going to notify insurers when there were VIN mismatches. Mr. Cooper stated that they cannot change VINs in their records without the customer's consent.

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There are 10 of the 17 characters in a VIN that are critical. It was mentioned by someone that the first 10 characters are the most critical. Note: Research after the meeting revealed that the last 6 characters of the VIN are the most critical, but all 17 are important in the vehicle identification process. There was a lot of discussion regarding how to handle VIN mismatches between DOR and the insurers; however, nothing was decided.

Insurers User Guide for OIVS

Mr. Starling announced that the MVD will prepare a very comprehensive guide for insurers, their programmers, and county programmers to use as an aid in understanding and utilizing the online insurance verification system.

Jay spoke with a representative from ACORD regarding their standards. ACORD has asked that the web services be established to use both ANSI and ACORD standards. Mr. Cooper strongly recommended that we use both set of standards for the web services because insurers use either/or. The standards are similar. Chair Magee discussed concerns regarding whether attempting to set up for both standards will affect the costs associated with this project.

OIVS Pilot Plan

Henry County (Gemini) will replace Butler County. A conference call was held on October 18, 2011, to apprise the pilot counties and their IT staff regarding the OIVS and their role as a pilot county. As previously requested by Mr. Tucker, a memorandum was also provided to the pilot counties regarding the OIVS pilot project and the OIVS activities to date.

The next conference call is scheduled for November 15, 2011.

Financial Responsibility Verification Discussion

The insurers' user guide will include information regarding both financial as well as safety responsibility for DPS. Currently, DPS mails lists to insurers who manually process the lists and mail them back to DPS. The online insurance verification system will permit DPS to electronically obtain information regarding financial and safety responsibility from insurers.

SR13- Safety Responsibility Accident Report. Mr. Urquhart indicated that this form may be eliminated if insurance information can be included in the crash report (e-crash).

SR21- Proof of Liability Insurance. DPS would use the insurance verification system to verify information provided on this form.

Ms. Johnson will work with DPS on this verification portion of the system.

Next steps

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None were discussed.

Next meeting

Gordon Persons Building, Room 4112, November 16, 2011, at 10:00 a.m. Information will be provided for council members to join by conference call.

Adjournment

The meeting was adjourned by Chair, Julie Magee at 11:50 a.m.