

Online Insurance Verification System Advisory Council

Meeting Minutes for Wednesday, December 14, 2011

Members Present: Julie Magee, Jay Starling, Greg Tucker, The Honorable Luke Cooley, Ken McFeeters, Lori Biscaglia (for Ken Needham), George Cooper, Charles Angell

Members Present via Conference Call: Harvey Fischer, Alex Hageli

Members Absent: Ken Needham, Greg Erath, Michael Robinson, Jeff Bradwell

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

Others Present via Conference Call: N/A

Call to Order: The meeting was called to order at 10:08 a.m. by Chair Magee.

Roll Call

Mr. Starling conducted the roll call.

Approval of November 16, 2011 meeting minutes

The minutes of the November 16, 2011 meeting were approved with no corrections.

Insurance Data Transfer Update

Ms. Helms reported that thirty-five (35) files from thirty-two (32) insurers have been received thus far. There are currently two hundred fifty (250) NAICs registered in Alabama for one hundred seventy (170) companies. Insurers are contacting the department daily requesting information regarding data transfer.

During the November 16 meeting, several council members inquired as to whether insurers would be notified if there were VIN mismatches. Mr. Starling reported that VIN error reports as well as reports regarding whether files have been uploaded successfully or if there are any issues with uploading data will be sent to insurers via email. The department has email addresses for every insurer.

It was reiterated that the department is requesting a total of five (5) data transfers from insurers. After that, no more data transfers will be requested. The data transfers are being requested so that the department can pre-populate the registration database with insurance information which will aid county licensing officials and registrants during the registration process. This will eliminate the need for every registrant to present insurance documents at the time of registration. Only those registrants whose insurance data is not in the state's registration database or who receive "unconfirmed" responses will be required to present evidence of insurance at the time of registration.

Mr. Cooper requested that the department share questions insurers are asking us so that the IICMVA can use these questions as lessons learned in the future.

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Several council members wanted to know if any of the large insurance companies sent data to the department. It was reported that the thirty-five (35) companies that have submitted data represent less than fifty percent (50%) of the industry. Only three (3) of the large companies have sent data. It is important to note that the department requested that the first file transfer begin in January 2012. The companies that have transmitted are ahead of the game and the department appreciates their eagerness to comply with the request for data.

OIVS Pilot Update

Mr. Starling reported that a conference call was held with the pilot counties yesterday (12/13). All counties were represented with the exception of one. All pilot counties have received the OIVS guide and have been asked to thoroughly review it. The next conference call is scheduled for January 17, 2012.

OIVS User Guide Update

Mr. Starling reported that he used Oklahoma's and Virginia's user guides along with the IICMVA guide and the law when preparing the user guide for Alabama. He has noted several issues that need to be addressed by the advisory council.

Technical requirements. There are two (2) different versions of the ANSI schema and the two response schemas (2005 and 2008). While during the last meeting the council discussed using the ANSI and ACORD schemas, ACORD has indicated that their schemas will not be available until May 2012. Mr. Cooper asked if the testing would be handled in a rollout manner. His thought was that companies that will use the ACORD schema could be rolled out later in the testing phase. Mr. Starling stated that the advisory council must determine whether to utilize ACORD standards. Mr. Starling said that testing is set to begin on April 1, 2012; however, it is anticipated that not all insurers will complete the necessary programming changes to implement OIVS by that date.

Mr. Cooper stated that at some point, ANSI standards will no longer be free if the insurer is not a member of ANSI. The ACORD standards will be free. This is one reason he is recommending that the department accept both ANSI and ACORD standards. The question regarding how many companies are a member of ANSI was raised. No one knew the answer to that question.

The most current ANSI schema (2008) will be included in the guide with a place holder left for the ACORD schema. Mr. Cooper indicated that more companies are using the 2005 version than the 2008 version. If the council decides to limit the schema used, there may be push back from companies that would need to re-program their systems. He also pointed out that the main difference between the 2005 and 2008 schemas is the reason codes, which are optional. The confirmed/unconfirmed responses will be the same for both schemas.

ANSI Jurisdictions

Wyoming
California

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South Carolina

Oklahoma

Mr. Cooper is proposing that the department use three different schemas, ANSI (2005, 2008) and ACORD. This number could increase as ANSI and ACORD standards are updated over time.

Mr. Angell asked about the language in the statute (Code Section 32-7B-5(2)) and the guide (page 6) that insurers must maintain data necessary to verify insurance status through the OIVS for a period of at least six (6) months. His specific question was what is the beginning date of this period? Ms. Johnson stated that insurers added that language into the legislation. Mr. Cooper and Ms. Johnson understand this language to mean that data must be maintained six (6) months from the verification date. Since most policies are written for a six (6) month period, this is why this period of time was chosen.

Much discussion ensued regarding which verification date should be considered. Time of registration is the first verification date. Law enforcement will verify evidence of insurance during a traffic stop. The Department of Revenue will verify evidence of insurance as part of the back end process. So if a registrant's evidence of insurance is verified three times as in the scenario above, which date should begin the six (6) month retention period. There was much discussion, but nothing was decided. The council requested that this be addressed in a DOR rule; however, before a rule is promulgated, the council must make a decision regarding the retention period.

Mr. Cooper and Mr. Hageli stated that the 6-month retention period is an IICMVA standard. It was intended to mean 6 months from the verification date. Again, no one has decided which verification date should mark the beginning of the retention period.

Mr. Hageli requested that the department promulgate a rule to address allowing policyholders to use electronic versions of the insurance card. This would eliminate the need for registrants to remember to carry the insurance card into the license plate issuing officials' offices if they can access the insurance policy data via a smart phone. Mr. Starling reported that DOR has begun work on a rule to address electronic insurance evidence and would provide the proposed rule to the advisory council for input.

The council agreed to table further discussion regarding the Alabama OIVS user guide so that Alabama's IT staff could demonstrate our liability insurance solution.

Financial Responsibility Verification

No discussion was held regarding this topic because the Department of Public Safety representatives were not present.

Alabama IT Demonstration

The Center for Advance Public Safety (CAPS) began their presentation at 11:34 a.m.

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With CAPS, the group discussed the feasibility of using three (3) different schemas. Mr. Hudnall stated it may take insurers three (3) months to adopt the ACORD schemas. The council needs to be aware that this will delay the OIVS project. The council needs to decide whether the ACORD schema will add additional value to the ANSI schemas.

Mr. Hudnall stated that the 2008 schemas are more descriptive the 2005 schemas. Mr. Cooper indicated that approximately half of the insurers in other states are using the 2005 schemas. He also added that under the IICMVA model, the reason codes are returned at the discretion of the insurer.

Ms. Coone asked why insurers were against returning reason codes. With them, licensing officials can provide registrants with valuable information during registration when an unconfirmed response is returned. Without the reason codes, registrants will be told to contact their insurer to determine why they were unconfirmed. Mr. Gamble pointed out that reason codes would assist law enforcement as well. A reason code could make a difference regarding whether or not a registrant receives a citation. Mr. Cooper indicated that the reason codes are not returned because there could be liability issues associated with returning them to requestors. This is why the IICMVA makes reason codes optional.

Ms. Rhonda Stricklin distributed the proposed MLI OIVS insurance brochure. She asked that the advisory council provide feedback. The deadline is tight (December 16, 2011) because we are trying to print and distribute the brochure to county offices by mid-January 2011.

Next Meeting: Wednesday, January 18, 2012 at 10:00 a.m., Gordon Persons Building, Room 4112.
Conference call information will be sent.

Closing Remarks: Chair Magee wished the council members a very Merry Christmas and a Happy New Year.

Adjournment: The meeting was adjourned by Chair Magee at 12:42 p.m.

Respectfully submitted by Brenda R. Coone