

Online Insurance Verification System Advisory Council

Meeting Minutes for Wednesday, January 18, 2012

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

Members Present via Conference Call: None

Members Absent: Julie Magee, Ken Needham, Michael Robinson, Jeff Bradwell, Harvey Fischer

Others Present: Brenda Coone, Sherry Helms, Mike Gamble, Ginger Johnson, Daniel Urquhart, Corporal John Hall

Others Present via Conference Call: None

Call to Order: The meeting was called to order at 10:09 a.m. by Mr. Jay Starling.

Roll Call

Mr. Starling conducted the roll call.

Approval of December 14, 2011 meeting minutes

The meetings were approved with a clarification offered by Mr. Cooper. On page 4, second paragraph, Mr. Cooper added that in some cases response codes are being returned at the discretion of the carrier.

OIVS Ad Campaign

Mr. Starling discussed the brochures and posters. One hundred thousand (100,000) brochures are being printed and will be distributed to county licensing offices by the end of the month. He asked the council members which poster design they preferred. Some wanted the landscape while others wanted portrait. Mr. Starling explained that the brochure and poster will be provided to county licensing officials and insurers in PDF format for them to print copies, as needed, to display in their offices.

There will be a media campaign via TV, radio, and billboards. The campaign will mirror the popular "Click It or Ticket" campaign.

OIVS Pilot Update

The conference call meeting with pilot counties was held on January 17, 2012. Counties are asking questions about the pilot program including when the department plans to provide them with insurance data supplied by insurers that is currently in the state's registration database.

The brochure and poster were discussed during the meeting. Counties offered the following comments:

- Make January 1, 2013 date more prominent on the poster
- Include language on the poster that evidence of insurance must be provided to the licensing official

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There were concerns about how the registrants with VIN mismatches will be handled. The department is educating counties on the fact that if they receive an "unconfirmed" message, they are required to obtain evidence of insurance from the registrant, enter the information into their computer system or directly into the state's registration system, ALVIS, attempt to re-verify insurance using OIVS and issue the vehicle registration/renewal even if the re-verification response is "unconfirmed." The department will attempt to verify evidence of insurance on the back end of the process. If evidence of insurance cannot be verified by DOR, a questionnaire will be mailed to the registrant. The department will also provide language to county license plate issuing officials to be included on registration renewal postcards and the county internet renewal sites so that registrants may be notified regarding the new insurance evidence requirements.

Ms. Johnson suggested that local law enforcement agencies need to be aware of the provisions of the law and be provided information regarding OIVS and how they will use the system. The department will coordinate with Law Enforcement Legislative Council (LELC) through the Alabama Peace Officers' Annuity & Benefit Fund Peace Officers Association. Mr. Urquhart suggested that this information be included in their annual training program.

During the call yesterday, officials asked whether the department was going to issue department issued numbers as permitted in the law. Some council members questioned the need for a number to be issued. Mr. Tucker explained that this is a significant issue for county licensing officials. There are vehicle owners that have never had a driver license or non-driver identification card issued to them. They may be elderly, in nursing homes, but are the rightful owners of vehicles. They will need some type of number for the licensing official to capture during the vehicle registration process. The department will study this issue and attempt to promulgate a rule.

Mr. Hageli wanted the language in the proposed rule regarding electronic evidence of insurance clarified. Specifically, he requested that language regarding electronic evidence of insurance be moved from paragraph 7 to paragraph 2, immediately following the list of acceptable documents. The proposed rule language permits electronic evidence of insurance to be presented to county licensing officials; however, the proposed rule does not include the presentation of electronic evidence of insurance to law enforcement personnel. After some discussion, the council agreed that law enforcement personnel should also be permitted to accept electronic evidence of insurance. The proposed rule will be amended.

Insurance Data Transfer Update

Mr. Starling reported that the department has received 2.3 million vehicle insurance records to date. This is half of the vehicle registration population in the state. This represents 112 out of 250 NAIC numbers and 67 out of 170 companies. The match rate is 90 percent.

Mr. McFeeters and Mr. Hageli volunteered to assist the department with any of their members who have not transmitted insurance data.

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Mr. McFeeters asked department representatives if the DOR will send questionnaires to those registrants whose insurance data has not been provided during the test period. Mr. Starling stated that this had not been decided. This decision will be determined based on the number of registrants for which insurance information is not provided, since an increase in the number of questionnaires mailed to registrants could increase department mailing and processing costs. Mr. Starling stated that regardless of the department's decision, registrants would be required to provide evidence of insurance after January 1 2013, if the registrant's insurance data was not previously provided.

Some council members asked if the department would require data uploads after the OIVS becomes operational. The council agreed during the August 10, 2011 meeting that the insurers would send a total of five (5) uploads. After this, everyone will use the OIVS to verify evidence of insurance and no additional data uploads will be received by the department. Additionally, the letter to insurers, dated October 4, 2011, regarding the data transfer project states the same.

OIVS User Guide Update

Mr. Erath asked about the requirement that insurers use the 2008 ANSI schema. He stated that there are companies, his included, that use the 2005 ANSI schema. There was a lot of discussion regarding this matter. Several council members believe that unconfirmed reason codes are necessary and will assist registrants, licensing officials and insurers in resolving potential issues. A concern was expressed that the time frame for insurers to program for the newer ANSI schema is too short. Mr. Starling shared a concern expressed by department IT staff that it would be more difficult to program for multiple schemas. The decision was made to poll the carriers to determine which schema they use and whether reason codes are transmitted.

Mr. Cooper suggested that the Motor Vehicle Division contact David Beaty, Oklahoma DPS. He should be able to provide some information regarding how many insurers provide his agency with reason codes and which version of the ANSI schema insurers are using. It was also suggested the department contact other states who have implemented online insurance verification systems for this information.

Mr. Starling stated that the IICMVA guide requires a legal trading partner agreement; however, his research concluded that no such document exists. He was informed by insurance representatives on the advisory council that most states utilize an insurer information form to exchange the insurer's business and technical contacts with the state. Mr. Starling presented a proposed DOR Insurer Information Form for the council's approval. The ensuing discussion focused on the intended purpose of a legal trading partner agreement. While the IICMA guide requires the agreement, it does not currently exist according to Mr. Cooper and Mr. Hageli. If the department is required to enter into such an agreement with each insurer, this must be accomplished by April 1, 2012, the date the pilot project is scheduled to begin. No confidential information is beginning transmitted by the department or insurers. The department transmits VIN, verification date, policy number, and NAIC. The insurers will send back "confirmed" and "unconfirmed" responses with reason codes that do not contain confidential information.

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Mr. Cooper and Mr. Hageli have agreed to have the IICMVA consider granting Alabama an exemption from the agreement. If the IICMVA refuses to provide the exemption, the IICMVA will provide the department with an agreement that will be distributed with the guide to all insurers.

Mr. Cooper suggested document hyperlinks to the IICMVA documents and any other documents referenced throughout the user guide.

Prior to the implementation of the pilot project (April 2012), the department will send a letter with the user guide to all counties and insurers. The guide will provide requirements, instructions, procedures, specifications and contact information. Updates to the user guide will be made as needed during the testing period.

Mr. Starling stated that there are 1,100 agents, brokers, insurers or parent companies of insurers who are members of ACORD. According to Ms. Daneen Carroll, ACORD representative, their standards will be ready by April, no later than May 2012. Jay attempted to contact ANSI in order to determine how many insurers are members of ANSI; however, his attempts were unsuccessful.

Mr. Starling requested input from the advisory council regarding the insurers' record retention period. Specifically, the question was when does the record retention period begin? After much discussion, the council concluded that the intended beginning date is the current date. This would require an insurer to maintain adequate insurance data to verify insurance for a rolling six month period.

Several grammatical changes were suggested to the user guide. It was proposed that these changes be provided to Mr. Starling as soon as possible so that the guide could be finalized prior to the next council meeting.

Mr. Cooper stated that insurers are concerned about the security of the insurance data that is exchanged via web services. The current version of the OIVS User Guide proposes that user IDs and passwords be assigned to insurers to allow them to utilize the web service communication network; however, insurers prefer the use of security certificates instead of user IDs and passwords. Mr. Starling pointed out that the data that will be transmitted via web services (NAIC#, policy#, VIN, insurance effective date, confirmed and unconfirmed responses with reason codes) does not include sensitive data. In addition, the department IT staff recommends user IDs and passwords versus security certificates because security certificates will require each end user and insurer to exchange security certificates. The certificates may be difficult to maintain considering the number of insurers and end users that will be utilizing web services, and how often the certificates are required to be renewed. Mr. Cooper agreed to provide additional information regarding this matter.

Financial Responsibility Verification

The guide now contains language provided by DPS for financial responsibility. Mr. Urquhart stated that their intention is to verify SR 13 data through the OIVS. Ms. Johnson stated that the NAIC number does not appear on the SR13, which could be problematic.

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Next Meeting: Wednesday, February 15, 2012 at 10:00 a.m., Gordon Persons Building, Room 4112.
Conference call information will be provided with the next agenda.

Closing Remarks: Mr. Starling thanked the group for their participation.

Adjournment: The meeting was adjourned by Mr. Starling at 12:40 p.m.

Respectfully submitted by Brenda R. Coone