

Online Insurance Verification System Advisory Council

Meeting Minutes for Wednesday, June 12, 2013

Conference Call Meeting

Members Present: Julie Magee, Jay Starling, Charles Angell, The Honorable Greg Tucker, Alex Hageli, George Cooper, Lt. Frost (for Michael Robinson), Dustin Wilson (for Jeff Bradwell), Lori Biscaglia (for Ken Needham), Ken McFeeters

Members Absent: Michael Robinson, Jeff Bradwell, Ken Needham, Greg Erath, Harvey Fischer, The Honorable Patrick Davenport

Others Present: Sherry Helms and Ken Williamson

Call to Order

The meeting was called to order at 10:03 a.m. by Chair Magee.

Roll Call

Mr. Starling conducted the roll call.

Approval of May 15, 2013 Meeting Minutes

The minutes were approved for the May 15, 2013 meeting with no corrections and will be posted on the Insurance Advisory Council webpage on the Department's website.

OIVS Implementation Update

Ms. Helms provided OIVS statistics for the period January 1, 2013 through June 11, 2013 (see attached statistical report). Ken McFeeters requested clarification regarding when postcard questionnaires were mailed to vehicle owners. Ms. Helms confirmed that the questionnaires are mailed only when insurance cannot be confirmed using OIVS.

Ms. Helms reported that American Bankers (NAIC# 10111) is still working to implement OIVS with their vendor – Ivans. This is the last insurer identified that is not in compliance with the OIVS act. She reported that the insurer was supposed to be in production by June 1st. The OIVS development team and Ms. Helms have been in constant contact with the insurer to help move the insurer into production as soon as possible. Mr. Ken Williamson (DOI) also offered to contact the insurer. Mr. Williamson reported that according to DOI records, the insurer only writes policies on antique vehicles; vehicles over 25 model years old and operated less than 2,500 miles annually.

Ms. Helms reported on the results of the unconfirmed OIVS reports that were sent to insurers last month. The reports have led to good communication with insurers. The following issues have been discovered and are being addressed:

1. Timestamp issue – The OIVS web service automatically included a 12 AM timestamp for the insurance verification date, which resulted in incorrect unconfirmed responses because the policy may have been issued on that verification date at a later time. The solution is to include the exact time in the verification request. For previous verification dates, a time of 11:59 PM will be used. The council agreed that this was a sound approach.

Online Insurance Verification System Advisory Council

Meeting Minutes for Wednesday, June 12, 2013

Conference Call Meeting

2. Policy number variances – Variances in the policy numbers and inclusion or omission of characters relating to the policy renewal cycle, which are reflected on evidence of insurance, affect the ability to confirm the policy using OIVS. The Department informed insurers affected by this issue that the policy number reflected on the insurance card or other evidence document should be used by the insurer to verify insurance because this is the number that will be provided to license plate issuing officials and law enforcement by vehicle owners.
3. Commercial insurers – It was discovered that some insurers write commercial and personal policies under the same NAIC. In order to address this issue, many of the affected insurers will include the ability to verify the commercial policies in the insurance verification web service. County license plate issuing officials will be reminded to ensure that the policy type (C-commercial and P-personal) has been coded correctly in the state registration database, so that verification is not attempted on commercial policies. DOR worked with DOI to identify 161 NAIC numbers, which represent insurers that only write commercial policies. Once identified, registration records with these numbers were programmatically coded with “C” so that insurance verification would not be attempted for these records using OIVS. The NAIC number list on the DOR website will also be updated to reflect the NAIC numbers that can be verified using OIVS.
4. Out of state insurers – It was discovered that some insurers write policies in AL as well as other states. For the out of state policies identified, these insurers have indicated that they will contact their customers to move the policy to an Alabama policy, whenever possible. DOR is also contacting vehicle owners who have policies with DOI identified out of state insurers to inform them of the Alabama mandatory insurance law that requires the insurance policy to be written by an insurance company that is licensed to write policies in Alabama. The NAIC number list on the DOR website is maintained to reflect the NAIC numbers that can be verified using OIVS.
5. Future verification dates –At least one county online renewal vendor was submitting future insurance verification dates in an attempt to prepopulate information for registration renewals. The council was questioned regarding the use of future verification dates. Mr. George Cooper reported that this was a topic of discussion among IICMVA members, and wasn’t specifically addressed in the IICMVA web service model. Although a future date may be included in the policy term, the council agreed that it was not a good practice to attempt to verify insurance for a future date because the vehicle owner may cancel the policy prior to the end of the policy term. The Department will contact this vendor and advise them to discontinue the use of future verification dates.

When the above mentioned issues are addressed, it should reduce the number of postcard questionnaires generated from unconfirmed responses.

Mr. Starling reported that DOR is working on the confirmed response re-verification process. This process was scheduled for production on 6/7; however, due to technical issues, it will not go into production until this week. Clarification was requested from the advisory council regarding how often DOR would attempt to re-verify the confirmed responses. Ms. Helms reported that during a previous council meeting the council decided that 90 days was sufficient time to re-verify after the registration date. After discussion, the council agreed that insurance would be verified every 30 days. At the end of

Online Insurance Verification System Advisory Council

Meeting Minutes for Wednesday, June 12, 2013

Conference Call Meeting

the 2013 registration renewal cycle, the council would review the OIVS data and determine if this policy should be revised.

New Business

A pilot county conference call will be held on June 13, 2013, at 10:00am.

Mr. McFeeters questioned if reinstatement revenues had increased since the implementation of OIVS. Mr. Starling reported that due to the transition period from the old to the new process (approximately 3 months), the revenue had decreased. It is expected that revenue from reinstatements would increase next year after a full registration renewal cycle; however, revenues were expected to decrease as the uninsured motorist rate also decreased. Mr. McFeeters asked Mr. Charles Angel if DOI was able to determine the revenue impact of OIVS on the insurance premium tax. Mr. Angel reported that this was difficult to determine due to the way in which the insurance premium tax for automobile liability insurance policies was reported to DOI. Mr. Angel stated that he would work with DOI programmers to determine if any changes in the tax could be determined. An increase in the insurance premium tax is expected due to the increase in liability insurance policies issued; however, many other factors also affect the tax collections.

Mr. Hageli questioned if DOR was considering using vehicle owners' email addresses to notify them regarding unconfirmed responses instead of sending postcards. Mr. Starling reported that DOR will be implementing a process to notify vehicle owners using email in addition to mailing postcard questionnaires; however, the law requires DOR to mail questionnaires and notices of suspension.

Next Meeting

The next meeting of the advisory council is scheduled for Wednesday, July 17, 2013 at 10:00 a.m. The meeting will be held via conference call. Conference call information will be sent to all council members.

Chair Magee provided closing remarks.

The meeting was adjourned at 11:09 a.m.

Respectfully submitted by

Jay Starling

(Source) Law Enforcement Unconfirmed	0	0	0	0	1,258	546							1,804
(Source) Registration Confirmed*	0	0	0	0	0	0							0
(Source) Law Enforcement Confirmed*	0	0	0	0	0	0							0
(Source) AOC Records Received	0	0	0	0	1,291	115							1,406
(Source) DPS Records Received	0	0	0	0	547	493							1,040
Notice of Suspension Totals	0	0	0	0	6,042	2,262	0	0	0	0	0	0	8,304