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:

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.

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- 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

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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

Online Insurance Verification System (OIVS) Statistics 2013

	January	February	March	April	May	June (to 6/11)	July	August	September	October	November	December	Totals
Requests													
Unauthorized Requestor	0	0	6	25,298	145,385	19,549							190,23
(Source) Counties	386,451	512,830	489,863	604,665	560,821	127,040							2,681,67
(Source) Law Enforcement	51,354	89,189	109,298	108,471	127,807	37,159							523,27
(Source) DPS - Safety Responsibility (Crashes)	190	457	389	374	210	112							1,73
(Source) Revenue Department	5,473	3,109	3,434	5,714	8,961	3,160							29,85
(Source) DPS Records Received (suspensions/ revocations)	2,675	2,819	0		662	0							6,85
(Source) AOC Records Received	50		1,578	45	47	0							1,95
(Source) Testing	1,164		236	1,525	20	54							3,60
(Source) 2nd Request Unconfirmed for Questionnaire Process	1,772		15,781	23,564	164,939	21,643							354,54
(Source) 90 Day Reverify Confirmed for Questionnaire Process	0	· ·	0		0	0							00 1,0 1
Request Totals	449,129	736,093	620,585	_	1,008,852	208,717	0	0	0	0	0	0	3,793,73
Responses	1.0,120	. 00,000	020,000	110,001	.,000,002	200,1 11		Ť	, and the second			, and the second	0,, 00,, 0
Confirmed	299,475	476,514	442,180	561,581	723,062	129,139							2,631,95
Unconfirmed	299,475	476,514	442,100	301,361	723,062	129,139							2,031,95
Not Submitted	15,505	24,614	14,845	18,091	22,135	5,672							100.86
Incorrect Data Format	9,200	7,907	2,448	1,771	1,814	398							23,53
NAIC Code Not Submitted	106	3,876	7,667	7,061	7,504	2,044							28,25
System Cannot Locate NAIC	49,116		,		10,280	,							•
·	49,116	68,102 22	27,583 51	22,985 49	10,280	2,924							180,99 17
Policy Key Not Submitted	Ŭ					0.004							
Cannot Locate Policy Key	11,332	23,418	18,249	22,986	29,052	8,334							113,37
Matched Policy Key - Verification Date Cannot be Confirmed	8,860	23,960	16,701	23,987	39,981	11,300							124,78
Matched Policy Key - Cannot Locate VIN	13,044	24,790	19,776	25,132	31,771	8,524							123,03
Matched Policy Key - Manual Search in Progress	1	24	45	47	139	0							25
System Unavailable	5,842	13,347	17,842	20,544	56,161	17,350							131,08
Unauthorized Requestor	5,652	1,235	25	108	34	4							7,05
Verification Date Cannot be Confirmed	53	175	227	326	643	150							1,57
Verification Date Not Submitted	253	334	319	52	19	10							98
Cannot Locate VIN	16,327	28,599	24,718	28,785	37,048	9,850							145,32
Matched VIN - Verification Date Cannot be Confirmed	10,392	30,072	21,824	29,247	39,475	10,047							141,05
Matched VIN - Cannot Locate Policy Key	3,912	8,511	4,953	6,546	8,621	2,694							35,23
VIN Not Submitted	51	593	1,132	1,059	1,074	270							4,17
Unconfirmed Totals	149,654	259,579	178,405	208,776	285,790	79,578	0	0	0	0	0	0	1,161,78
Insurer Response Totals	449,129	736,093	620,585	770,357	1,008,852	208,717	0	0	0	0	0	0	3,793,73
Questionnaires/ Notice of Suspensions													
Questionnaire Sent													
(Source) Registration Unconfirmed	0	Ŭ	_,,	7,201	11,902	2,736							24,59
(Source) Law Enforcement Unconfirmed	0	_	.,	3,539	4,417	764							10,07
(Source) Registration Confirmed*	0					0** 0**							
(Source) Law Enforcement Confirmed* (Source) AOC Records Received	0	_	,	-	0** 112	0**	0						99
(Source) DPS Records Received	0				477	0	_						2.23
Ouestionnaire Totals	0			12,999	16,908	3.500	0		0	0	0	0	37,89
Notice of Suspension Sent	1		7,707	12,000	10,000	3,300	0		0			i i	57,03
(Source) Registration Unconfirmed	0	0	0	0	2.946	1.108					İ		4.05

(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