

Online Insurance Verification System Advisory Council

Meeting Minutes for Wednesday, December 18, 2013

Conference Call Meeting

Members Present: Jay Starling, Julie Magee, the Honorable Greg Tucker, Alexi Hageli, George Cooper, Ken Williamson (for Charles Angell), Daniel Urquhart (for Michael Robinson), Ken Needham

Members Absent: Jeff Bradwell, Michael Robinson, Harvey Fischer, Greg Erath, the Honorable Patrick Davenport, Ken McFeeters, Charles Angell

Others Present: Sherry Helms, Brenda R. Coone, Lt. Frost

Call to Order

The meeting was called to order at 10:01 a.m. by Ms. Magee.

Roll Call

Mr. Starling conducted the roll call.

Approval of September 18, 2013, October 16, 2013, and November 20, 2013 Meeting Minutes

A quorum was not established during the previous three meetings so the minutes have not been adopted.

The September 18, 2013 meeting minutes approved with no corrections.

The October 16, 2013 meeting minutes approved with no corrections.

The November 20, 2013 meeting minutes were approved with a correction offered regarding the date.

The minutes for this meeting were dated as December 18, 2013.

OIVS Update

Ms. Helms provided the following statistics through December 16, 2013:

- a. Over 32 M OIVS requests to date
- b. 6,921 law enforcement officers using OIVS
- c. Over 145,000 questionnaires sent to date and just over 77,000 NOS
- d. Over 58,000 registration suspensions

Ms. Helms provided an explanation to council members regarding the 58,000 registration suspensions. The suspensions are a result of the OIVS returning unconfirmed responses twice for motor vehicle registrations for these registrants. Once the second unconfirmed response is received, the department sends a questionnaire to obtain insurance information. If the registrants fail to respond to the questionnaires, notice of suspension documents are mailed in an effort to obtain insurance information. Failure to respond to the notice of suspension documents will result in suspension of the motor vehicle registrations. Registrants typically respond to the suspension when attempting to renew the vehicle registrations since no renewal may occur if the registration is in suspended status.

On December 11, 2013, the department mailed 189 letters to all registrants with out of state NAICs reflected on their current registration record. This now ensures notification has been provided to all such registrants from the entire 2013 renewal process. The department anticipates that by the end of February 2014, all registrants who intend to respond will have done so and any outstanding registrations

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will be subject to the questionnaire process. A breakdown of the number of registrations by county that reflect out of state NAICs are as follows:

Registrations by County reflecting OOS NAIC

Jefferson	24
Mobile	1
Montgomery	2
Autauga	3
Baldwin	24
Bibb	5
Butler	1
Calhoun	2
Cherokee	1
Choctaw	2
Cleburne	1
Coffee	2
Colbert	1
Conecuh	1
Covington	6
Crenshaw	2
Dale	2
Dallas	2
Dekalb	1
Elmore	4
Escambia	3
Etowah	2
Fayette	1
Franklin	1
Geneva	1
Greene	1
Henry	4
Houston	2
Jackson	8
Lamar	1
Lauderdale	3
Lee	6
Limestone	6
Madison	23
Marshall	3
Monroe	3
Morgan	4
Perry	1
Pickens	2

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Pike	1
Russell	7
St. Clair	2
Sumter	1
Talladega	1
Tuscaloosa	3
Walker	7
Washington	<u>5</u>
Total	189

Mr. Cooper made several inquiries during the call:

1. How many instances has the department had to manually contact insurers to confirm insurance? He suggested that if the number of instances is high, maybe the department offer a solution to permit insurers to login and respond on behalf of policy holders. Ms. Helms reported that insurers can currently provide this service to their customers. They will need the PIN from the questionnaire in order to access the customer's record.
2. Is the department contacting insurers regarding their unconfirmed responses? Ms. Helms reported that the latest report to insurers was sent October 7 – 11, 2013. She has been consistently working with insurers to address issues that have been identified in the reports that return unconfirmed responses.
3. Why is the number of "system unavailable" responses so high? The department speculates that commercial policies are being sent through OIVS for verification although all users have been advised not to do so. Mr. Tucker stated that he was surprised by the number of vehicles that are titled and registered in the name of a company but are covered by personal line policies. Insurers on the call agreed that this is an issue.
4. Additional questions regarding the types of unconfirmed responses were posed. Mr. Cooper expressed concern for the number of "Unconfirmed-Not Submitted" responses reflected on the report, 1,166,898. He was also concerned about the "Unconfirmed-Incorrect Data Format" responses, 51,067. There was discussion regarding whether web service calls were sent without including the four required data elements. Since four data fields are required to be submitted for confirmations, the council questioned if inquiries were sent to insurers for confirmation. The insurers on the call agreed that the system should be tweaked so that if all data fields are not included in the web service call, the system will not send a call to an insurer's database. Ms. Magee cautioned that before this system change is made, the department must notify all system users of the change and the effective date of the change. DOR confirmed that these are not truly "responses" and should not be included in the unconfirmed response count. This reduces the unconfirmed response rate to 42% from 47%. DOR will investigate changing the webservice message to inform users that all required data elements have not been provided.
5. Is the department analyzing the 30-day reverification of registrations to determine whether or not the registrants are dropping insurance after renewing registrations? Ms. Helms responded that this is the reason for the reverification process. Mr. Hageli requested that the department build in a tapering system so that registrants who have consistently confirmed can be dropped

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from the reverification process. Ms. Magee stated that the department is still in the information gathering phase, but would consider making this change in spring 2014.

Mr. Cooper stated that if the volume of reverifications is too much for the smaller insurance companies, this could result in some of the unconfirmed-system unavailable responses.

New Business

The Insurance Research Council is scheduled to release their next report in March 2014. The current report indicates that Alabama has a 22 percent uninsured motorist rate. Mr. Hageli cautioned everyone that the report covers figures from 2 years ago, so any change as a result of Alabama's amended law will not be reflected in the next report. Instead, Alabama's efforts to reduce the uninsured motorist rate will not be reflected until the 2016 report.

Mr. Hageli volunteered to investigate alternate methods for Alabama to accurately determine its uninsured motorist rate.

Next Meeting

The next meeting of the advisory council is scheduled for January 22, 2014 at 10 a.m. The meeting will be held via conference call. A conference call invitation, agenda, and the meeting minutes will be sent to all advisory council members.

NOTE: Due to a conflict on January 22, 2014, the meeting was rescheduled to January 21, 2014.

The meeting was adjourned at 10:25 a.m. by Ms. Magee.

Respectfully submitted by: Brenda R. Coone