Mandatory Liability Insurance

Presenter:
Sherry Helms, Registration Supervisor
Outline for Presentation

• MLI Law
• OIVS Inquiry Structure
• Public Awareness Campaign
• MLI System
• Administrative Rules
Mandatory Liability Insurance

- Chapter 7A, Title 32 Code of Alabama
  - Requirement for liability insurance policy on vehicle
    - To register
    - To maintain registration
    - Operate
Mandatory Liability Insurance

- Chapter 7A, Title 32 Code of Alabama
  - Vehicles exempt from MLI law
    - Trailers (40-12-240)
    - Owned by government entity
    - Subject to Federal Motor Carrier Safety Administration or Alabama Public Service Commission
    - Implements of husbandry
    - Vehicle moved solely by animal power
    - Special mobile equipment (32-8-2(20))
    - Inoperable or stored vehicles not being operated
    - Covered by blanket liability policy or commercial policy
      - Administrative rule 810-5-8-.07
      - Owned by bank or finance company
      - Owned by motor vehicle dealer, reconditioner, or rebuilder and held in inventory
Mandatory Liability Insurance

• Requirements of License Plate Issuing Officials (32-7A-17):
  • Registration suspended
    – Cannot process registration transaction
  • Reinstate registration upon request
  • Must verify insurance through OIVS or view evidence of insurance before registering vehicle
  • Valid DL, non-driver ID or FEIN required for one vehicle owner (registration renewal)
Mandatory Liability Insurance

• Distribution of Reinstatement Fees Collected by Licensing Official (32-7A-12):
  • Official maintains 10% of fees collected
    – Distribution
      » 50% to official’s office
      » 50% county/city general fund
  • Remainder to state
Mandatory Liability Insurance

• Effective January 1, 2013, insurance verified utilizing an OIVS (Act 2011-688)
  – Law enforcement, license plate issuing officials and DOR
  – If “unconfirmed” response received
    • Must view evidence of insurance
  – Sample insurance documents
    • www.besuretoinsureal.com
Mandatory Liability Insurance

- DOR uses OIVS to verify insurance
- DOR cannot confirm insurance policy on vehicle
  - Questionnaire
  - Notice of suspension
OIVS Inquiry Structure

1. Query sent to central service
2. Service authenticates, logs, and routes query
3. Query sent to providers for verification
4. Provider responds
5. Response logged and routed back to user

Licensing Officials
DOR Users
Law Enforcement
Courts

Insurance Companies With IICMVA Web Service

- NAIC Policy #
- VIN
- Query Date
- Policy #
- VIN
- Query Date
- "Confirmed"
- "Unconfirmed"
- "Confirmed"
- "Unconfirmed"
- 4. Provider responds

"Confirmed“  "Unconfirmed"
Public Awareness Campaign

- Began August 1, 2012
- Includes the following:
  - www.besuretoinsureal.com
  - posters and brochures
  - Social media (Facebook, twitter, YouTube).
    - Keyword: MLI Alabama
  - Ads run through January 31, 2013
Motor Vehicle

Insurance Advisory Council (IAC)

- IAC Council Member Listing
- Council Meetings Agenda and Minutes
- Online Insurance Verification System Annual Report

Online Insurance Verification System (OIVS)

- Online Insurance Verification Act Information
  - OIVS Production NAIC and company list as of December 2, 2013
  - Out of State NAIC list as identified by DOI as of December 2, 2013
  - Commercial only NAIC list as of December 2, 2013
  - Act 2011-688, Enrolled
  - Procedures
    - ADOR Commissioner's Data Transfer Letter to Insurers
    - MIT Data FTP Upload User Guide

- OIVS Web Service Information
  - Sample OIVS Web Service (zip)
  - OIVS User Guide
  - OIVS User Guide: Commissioner's Letter
  - OIVS Level 3 Certificate and Certificate Chain
  - OIVS WSDL and Schemas

Insurance Industry Committee on Motor Vehicle Administration (IICMVA)

- Model User Guide
- Insurance Data Transfer Guide

Promotional Information

- Brochure: Be Sure to Insure
- OIVS Promotional Poster (11x17)
- OIVS Videos (YouTube)
The Alabama Department of Revenue Motor Vehicle Division is responsible for issuing motor vehicle titles, motor vehicle dealer licenses, maintaining vehicle registration information and enforcing the Mandatory Liability Insurance Act. In addition, the division administers the International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA). This portal provides information necessary to process motor vehicle transactions.
Submit Response

- You must collect the Suspension Fee.

<table>
<thead>
<tr>
<th>Registration Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIN: 123456789012345678</td>
</tr>
<tr>
<td>Tag: 69DZBE</td>
</tr>
<tr>
<td>Make: XXX</td>
</tr>
<tr>
<td>Model: XXX</td>
</tr>
<tr>
<td>Year: 2012</td>
</tr>
</tbody>
</table>

For the vehicle specified in your letter, did you have liability insurance on 11/8/2012? ☐ Yes ☐ No ☐ No (Exempt)

I acknowledge I have collected reinstatement fees of $(200.00 - 1st violation, $400.00 - 2nd/subsequent violation) from this registrant for violation of the MLI law.

<table>
<thead>
<tr>
<th>Policy Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy #: a123456</td>
</tr>
<tr>
<td>Effective:</td>
</tr>
<tr>
<td>Expiration:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Insurance Company Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search Insurance Companies:</td>
</tr>
<tr>
<td>Alta Mut Ins Co</td>
</tr>
<tr>
<td>Get Company Info</td>
</tr>
<tr>
<td>NAIC #: 19135</td>
</tr>
<tr>
<td>Phone:</td>
</tr>
<tr>
<td>Address: 2108 East South Boulevard</td>
</tr>
<tr>
<td>City: Montgomery</td>
</tr>
<tr>
<td>State: AL</td>
</tr>
<tr>
<td>Zip: 36116</td>
</tr>
</tbody>
</table>
MLI System

YES Response – Valid Insurance on Verification Date
### MLI System

#### Registrant
- **Name:** John Smith
- **Address:** 123 Street
- **DL #:** XOXOXOX
- **Montgomery, AL 00000-0000**

#### Overview
- **Registration Status:** R1
- **Verification Date:**
- **Last Tag Issue Date:**
- **Source:** DPS
- **Record Stage:** First Reinstatement
- **Uploaded:** 11/8/2012 10:25:31 AM
- **Last Modified:** 11/19/2012 2:23:00 PM

#### Vehicle
- **Tag:** 65DZ8E
- **VIN:** 1X00000000XXXX
- **Make:** XXXX
- **Model:** XXXX
- **Year:** 2012

#### History
<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
<th>User</th>
<th>Status</th>
<th>Documents</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/19/2012 2:23 PM</td>
<td>OINS has checked and responded Unconfirmed reason - (System Cannot Locate Policy Key Information) for verification Date 11/19/2012 12:00:00 AM</td>
<td>countyuser</td>
<td>R1 - Reinstated (1st suspension)</td>
<td><img src="image.png" alt="Document" /></td>
<td></td>
</tr>
<tr>
<td>11/19/2012 2:22 PM</td>
<td>Record is Reinstated</td>
<td>countyuser</td>
<td>R1 - Reinstated (1st suspension)</td>
<td><img src="image.png" alt="Document" /></td>
<td></td>
</tr>
<tr>
<td>11/19/2012 2:22 PM</td>
<td>Clerk has responded No to First Suspension</td>
<td>countyuser</td>
<td>S1 - First suspension.</td>
<td><img src="image.png" alt="Document" /></td>
<td></td>
</tr>
<tr>
<td>11/19/2012 2:22 PM</td>
<td>First Suspension Response given by countyuser</td>
<td>countyuser</td>
<td>S1 - First suspension.</td>
<td><img src="image.png" alt="Document" /></td>
<td></td>
</tr>
</tbody>
</table>
MLI System

Sample Registration Reinstatement

State of Alabama
Department of Revenue

REGISTRATION REINSTATEMENT

Issue Date: 12/28/2012
Expiration Date: 2/11/2013

NOTICE TO LAW ENFORCEMENT: The motor vehicle registration for the vehicle described below has been previously suspended under the provisions of the Alabama Mandatory Liability Insurance Act (Title 32, Chapter 74). This document serves as reinstatement of the vehicle’s registration. Questions concerning this reinstatement document should be directed to the Motor Vehicle Division MLI Unit at (334)242-3000.

Registrat: SMITH
Address:
City: 
State:

Vehicle Information:
Tag Number:
VIN:
Year:
Make:
Model:

Insurance Company Information:
Name: 
Address: 
City/State: 
Zip:
Policy/Binder Number: 
NAIC #: 

Reinstatement Code:

Supervised by: 
County: 

NOTICE TO VEHICLE OWNER: Any driver of an Alabama-registered vehicle convicted of operating the vehicle without liability insurance coverage as required by Alabama law or suspended vehicle registration, will be subject to fines of up to $500.00 for a first offense and a fine of up to $2,000.00 for a second or subsequent offense. Furthermore, the owner of the vehicle will be subject to the payment of a reinstatement fee of $300.00 for a first offense, and in the case of a second or subsequent offense, the vehicle owner will be subject to the payment of a reinstatement fee and a four-month suspension of their vehicle registration.
MLI System

NO Response – Violation of MLI Law

You must collect the Suspension Fee.

Registration Information:
- VIN: [redacted]
- Tag: [redacted]
- Make: [redacted]
- Model: [redacted]
- Year: [redacted]

Policy Information:
- Policy #: a123454
- Effective: [redacted]
- Expiration: [redacted]

Insurance Company Information:
- Search Insurance Companies: Allianz
- Phone: [redacted]
- Address: 2108 East South Boulevard
- City: Montgomery
- State: AL
- Zip: 36116
MLI System

NO (Exempt) Response – Vehicle Stored/ Inoperable/ Sold
MLI System

NO (Exempt) Response – Vehicle Stored/ Inoperable/ Sold
MLI System

Revocation Notice

State of Alabama
Department of Revenue

Mandatory Liability Insurance Notice of Registration Revocation

Motor Vehicle Division

Date of Correspondence: 12/28/2012
Insurance Verification Date: 7/25/2012

SMITH

PIN:
VIN:
Plate No:
Make:
Model:
Year:

Registration on the above reference vehicle is hereby revoked in accordance with Section 32-7A-11, Code of Alabama 1975 for the remainder of the registration period. In the event the motor vehicle for which the registration has been revoked is no longer stored, inoperable, or otherwise unused as prescribed by the department, a new registration and license plate must be obtained prior to operating vehicle.

Please contact the Motor Vehicle Division, Mandatory Liability Insurance at (334) 242-3000 or mli@revenue.alabama.gov if you need further assistance regarding the registration suspension.

If you are dissatisfied by the action of the Department, you are entitled to file a notice of appeal with the Administrative Law Division. The notice must be filed within thirty (30) days of the date of this letter, and must be directed to:

Alabama, Department of Revenue
Administrative Law Division
P O Box 327130
Montgomery, AL 36132-7130
## Reinstatement Report

**Search**
- County Head Office
- County Offices
- Begin Date: 11/1/2012
- End Date: 11/30/2012

**Totals**
<table>
<thead>
<tr>
<th></th>
<th>R1 Totals</th>
<th>R2 Totals</th>
<th>R3 Totals</th>
<th>R4 Totals</th>
<th>Grand Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Sub-Total:</td>
<td>$1,000.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$1,000.00</td>
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<tr>
<td>10%</td>
<td>$100.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$100.00</td>
</tr>
<tr>
<td>Total</td>
<td>$900.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$900.00</td>
</tr>
</tbody>
</table>

**Records**

<table>
<thead>
<tr>
<th>Date</th>
<th>Registant</th>
<th>Reinstatement Code</th>
<th>Suspension Code</th>
<th>DL #</th>
<th>Tag #</th>
<th>YIN</th>
<th>User</th>
<th>County Office</th>
<th>Fee Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/19/2012</td>
<td>John Smith</td>
<td>R1</td>
<td>S1</td>
<td>XOXOXOX</td>
<td>69DZBE</td>
<td></td>
<td>countyuser</td>
<td>Washington</td>
<td>$200.00</td>
</tr>
</tbody>
</table>
MLI Administrative Rules

• 810-5-8-.05 Evidence of Insurance Requirements

  – Present by electronic means
    • Electronic mail from registrant’s insurer
    • Computer printout from insurer
    • Facsimile of proof of insurance
    • Electronic image/proof
  – Acceptable in name other than registered owner
MLI Administrative Rules

- 810-5-8-.07 Vehicles Exempt from the MLI Law
  - Exempts vehicles from OIVS verification
    - Commercial/blanket
  - Evidence must be maintained in vehicle
MLI Administrative Rules

- Rule 810-5-8-.09 ADOR Issued Identification Number
  - Valid DL, non-driver ID or FEIN required for vehicle owner
  - ADOR to assign identifying number to vehicle registrants
    - Licensing officials - designated agents
    - Extreme cases only as determined by LPIO
    - Registrant must present other evidence of identity
MLI Administrative Rules

• Rule 810-5-8-.09 ADOR Issued Identification Number (continued)
  • Other evidence document number
  • Reflect in registration databases
    – RD for driver’s license state data field
    – Assigned number in driver’s license number field
    – Leave driver’s license expiration date blank
MLI Administrative Rules

• 810-5-1-.237 Mandatory Liability Insurance (MLI) Registration Reinstatement Procedures
  • Vehicle with the suspended registration stored or inoperable
    – Registration revoked
    – New plate/registration required
    – Reinstatement fees not due
THANK YOU!

MLI Unit
(334) 242-3000
mli@revenue.alabama.gov