

## **Online Insurance Verification System Advisory Council**

Meeting Minutes for Wednesday, August 20, 2014

### **Conference Call Meeting**

**Members Present:** Julie Magee, Jay Starling, Lt. Frost (for Michael Robinson), Charles Angell, the Honorable Greg Tucker, the Honorable Sheila Moore, Dustin Wilson (for Jeff Bradwell)

**Members Absent:** Michael Robinson, Greg Erath, Jeff Bradwell, Ken Needham, Harvey Fischer, George Cooper, Alex Hageli, Ken McFeeters

**Others Present:** Sherry Helms, Ken Williamson, and Brenda R. Coone

#### **Call to Order**

The meeting was called to order at 11:03 a.m. by Mr. Starling.

#### **Roll Call**

Mr. Starling conducted the roll call.

#### **Approval of July 23, 2014 Meeting Minutes**

The minutes were approved with no corrections.

#### **OIVS Update**

Ms. Helms provided the following statistics from January 1, 2014 through July 31, 2014:

1. Over 64M OIVS requests to date
2. Over 28.5 M 1<sup>st</sup> requests (sources - counties, law enforcement, and reverification process) with a 77% confirm rate

The department has sent over 142,000 questionnaires and 98,000 notices of suspensions to Alabama registrants thus far this calendar year. Over 28,000 registration reinstatements have been processed. Of the processed reinstatements, 82% were reinstated without payment because the registrant had valid insurance while 18% of the reinstatements resulted in fees being collected.

On August 1, 2014, the department sent letters to all Alabama insurers requesting that they submit a limited scope book of business on a monthly basis. It is important to note that this initiative is voluntary. The purpose of the request is so the department can identify registrants who may have changed insurance carriers during the registration year. This will reduce the number of questionnaires being mailed to registrants who are insured; thereby, permitting the department to focus on registrants who are not in compliance with the law. By identifying registrants who are violating the law, the reinstatement fee collections should increase.

To date, the department has received responses from eighteen (18) insurers, Lexis Nexis, and ISO indicating they will participate in sending the requested limited scope book of business files. These companies represent one hundred and thirty-seven (137) of the one hundred and eighty-seven (187) production NAICs. There are still twenty-two (22) insurers representing fifty (50) NAICs that have not

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responded. The department plans to follow-up with the non-responsive insurers after the first of September to encourage them to participate.

The department's mail processing vendor is now processing responses to questionnaires received in the mail. The vendor opens the mail, records the response, images the document and uploads the image file and response file to the department's MLI system. Having the vendor process responses will permit the department to increase the number of questionnaires that are mailed to registrants whose insurance cannot be confirmed.

Ms. Magee asked for a list of insurers that have not responded to the department's request to voluntarily submit a limited scope book of business on a monthly basis. Ms. Helms provided the following list:

- ✓ AAA (Auto Club Family)
- ✓ ACCC (American Century Casualty Co)
- ✓ Affirmative
- ✓ Allstate
- ✓ Ameriprise
- ✓ ANPAC (American National)
- ✓ Arrowhead
- ✓ Auto-Owners
- ✓ Chartis AIG
- ✓ CIS (Lyndon Southern)
- ✓ EMC
- ✓ Everest
- ✓ Horace Mann
- ✓ IPACC (Infinity)
- ✓ National
- ✓ OMNI
- ✓ PGAC (Permanent General Assurance)
- ✓ SafeCo
- ✓ Safeway
- ✓ Sentry
- ✓ State Auto
- ✓ State Farm

Ms. Magee identified most of the companies as non-standard auto insurance carriers. She asked Mr. Angell to assist the department in encouraging these insurers to participate. Mr. Angell requested that the department provide him with a letter and a list of the non-responsive insurers and the Department of Insurance would contact them and encourage them to participate.

During the previous council meeting, Mr. Stewart spoke to council members about identifying the unconfirmed reason codes that may be used to send questionnaires. He proposed a more targeted approach and asked for assistance in identifying the reason codes that should be used to generate questionnaires. Mr. Hageli agreed to assist with identifying codes that could result in more reinstatement fees being collected. Motor Vehicle Division personnel worked with Mr. Hageli and Mr. Cooper who concluded that due to the fact that all insurers do not use the same logic or schema to provide unconfirmed responses, it would not possible to use selected reason codes as a basis for

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identifying which registrants should receive questionnaires. Ms. Magee addressed the council and stated that the IICMVA model needs to be adjusted to enable jurisdictions to better identify registrants who are uninsured. Reason codes are applied in a very inconsistent manner amongst insurers and this should be addressed by the IICMVA. The department is gathering statistics by reason codes and cannot effectively use this information. The department will look for ways to identify non-compliant registrants.

Mr. Starling reiterated the fact that uninsured motorists will be better identified by using the limited scope book of business data supplied by insurers. He reminded council members that the department has not been sending questionnaires to every registrant whose insurance was unconfirmed because of limited personnel available to process the responses. The mail processing vendor is now processing responses, so the department will increase the volume of insurance questionnaires mailed each week.

Mr. Tucker requested that the department not increase the number of questionnaires sent to registrants during the month of September. September is a very busy renewal month and this would create a burden for the licensing official's office.

Mr. Tucker pointed out that insurance carriers should work to clean up the VINs in their databases. VIN errors are a major cause of unconfirmed responses and create confusion with registrants. Ms. Magee stated that there are VIN edit files that insurers can use. Mr. Starling also pointed out that VIN errors are included in the unconfirmed response reports that are being provided to insurers each month.

Ms. Magee reported that the department will begin another public awareness campaign in late December or early January. This is to remind the public of their responsibility to maintain liability insurance and have evidence of the insurance available to present, upon demand, to licensing officials and law enforcement.

### **New Business**

Minnesota has requested that Alabama participate in a conference call next Monday (8/25) with their insurance task force to discuss Alabama's online insurance verification solution.

Ms. Magee reported that the Missouri Commissioner of Revenue visited the state to see Alabama's solutions for insurance and titles and was very impressed.

Mr. Starling reminded council members about the IICMVA meeting that will be held the end of September. A representative from Alabama will attend.

### **Next Meeting**

The next meeting of the advisory council is scheduled for Wednesday, September 10, 2014 at 10:00 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.

The meeting was adjourned at 11:34 a.m. by Ms. Magee.

*Respectfully submitted by:* Brenda R. Coone