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BULLETIN NO. 2012-12

TO: All insurers authorized to write automobile insurance

FROM: Jim L. Ridling
Commissioner of Insurance 

DATE: October 29, 2012

RE: Ala. Act No. 2011-688 – Online Insurance Verification System

EFFECTIVE: Immediate

This Bulletin addresses requirements of Ala. Act No. 2011-688, approved June 14, 2011, for the establishment of an Online Insurance Verification System ("OIVS") having certain prescribed functions [see Ala. Code §§ 32-7B-3, 32-7B-4 (2011)]. The Alabama Commissioner of Revenue has previously communicated with insurers authorized in Alabama about these requirements by letters dated October 4, 2011, and July 11, 2012.

1. Portions of Act No. 2011-688 that relate to the OIVS are codified in Chapters 7A and 7B of Title 32 of the Code of Alabama. The entire act may be accessed at <http://www.revenue.alabama.gov/motorvehicle/iac.html>.

2. The Alabama Department of Revenue expects to begin using the OIVS on **January 1, 2013**, to verify that motor vehicles are covered by liability insurance as otherwise required by Alabama law.

3. The OIVS uses a web services model developed by the Insurance Industry Committee for Motor Vehicle Administration. The model requires web service inquiries to insurers in order to perform the verification. Testing of the OIVS has begun and several, but not all, insurers are currently in production.

4. Insurers must cooperate with the Department of Revenue in establishing the OIVS [Ala. Code § 32-7B-3(c) (2011)]; must allow access through the OIVS to verify insurance status [Ala. Code § 32-7A-9 (2011)]; and must discharge the responsibilities described in Ala. Code § 32-7B-5 (2011). An insurer which does not write liability insurance coverage on more than 500 vehicles in Alabama is not required to participate in the OIVS.

5. Insurers must use the Department of Revenue's OIVS User Guide to implement the OIVS and must submit a completed Insurer Information Form provided in the

OIVS User Guide to the Department of Revenue. The Guide and additional information can be accessed at <http://www.revenue.alabama.gov/motorvehicle/iac.html>.

6. The Commissioner of Insurance is authorized to impose a fine of up to five thousand dollars (\$5,000) per violation against an insurer for willful violation of a material provision in Ala. Code §§ 32-7A-9 [insurer to allow access through OIVS] or 32-7B-5 (2011) [insurer responsibilities]. Ala. Code § 32-7A-10(c) (2011).

7. Requests for information or assistance can be directed to Ms. Sherry Helms at the Alabama Department of Revenue – sherry.helms@revenue.alabama.gov or 334-242-3000.

JLR/JFM/bc