

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

April 3, 2008

1:38 p.m.

**MEMBERS PRESENT**

Senator Johnny Ellis, Chair  
Senator Gary Stevens, Vice Chair  
Senator Bettye Davis

**MEMBERS ABSENT**

Senator Lyman Hoffman  
Senator Con Bunde

**COMMITTEE CALENDAR**

HOUSE BILL NO. 379

"An Act relating to educational requirements for licensure as a certified public accountant."

MOVED HB 379 OUT OF COMMITTEE

HOUSE BILL NO. 295

"An Act relating to the filing or recording of documents and records with the Department of Natural Resources, to the inspection and copying of filed and recorded documents, and to the filing of secured transaction records under the Uniform Commercial Code; and providing for an effective date."

MOVED HB 295 OUT OF COMMITTEE

SENATE BILL NO. 113

"An Act relating to break times for employees who nurse a child."

MOVED CSSB 113(L&C) OUT OF COMMITTEE

SENATE BILL NO. 280

"An Act requiring health care insurers to provide insurance coverage for medical care received by a patient during certain approved clinical trials designed to test and improve prevention, diagnosis, treatment, or palliation of cancer; directing the Department of Health and Social Services to provide Medicaid services to persons who participate in clinical trials; relating to experimental treatments; and providing for an effective date."

HEARD AND HELD

CS FOR HOUSE BILL NO. 331(L&C)

"An Act relating to motor vehicle insurance, license suspensions, and notices relating to motor vehicles and notices relating to driver's licenses."

HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 379

SHORT TITLE: CPA EDUCATION REQUIREMENTS

SPONSOR(S): REPRESENTATIVE(S) HAWKER

02/19/08	(H)	READ THE FIRST TIME - REFERRALS
02/19/08	(H)	L&C, FIN
02/25/08	(H)	L&C AT 3:00 PM CAPITOL 17
02/25/08	(H)	Moved Out of Committee
02/25/08	(H)	MINUTE(L&C)
02/27/08	(H)	L&C RPT 6DP
02/27/08	(H)	DP: GARDNER, LEDOUX, BUCH, NEUMAN, GATTO, OLSON
03/03/08	(H)	FIN REFERRAL WAIVED
03/12/08	(H)	TRANSMITTED TO (S)
03/12/08	(H)	VERSION: HB 379
03/14/08	(S)	READ THE FIRST TIME - REFERRALS
03/14/08	(S)	L&C
04/01/08	(S)	L&C AT 1:30 PM BELTZ 211
04/01/08	(S)	Heard & Held
04/01/08	(S)	MINUTE(L&C)

BILL: HB 295

SHORT TITLE: RECORDED OR FILED DOCUMENTS

SPONSOR(S): REPRESENTATIVE(S) LYNN

01/04/08	(H)	PREFILE RELEASED 1/4/08
01/15/08	(H)	READ THE FIRST TIME - REFERRALS
01/15/08	(H)	L&C, RES
02/15/08	(H)	L&C AT 3:00 PM CAPITOL 17
02/15/08	(H)	Moved Out of Committee
02/15/08	(H)	MINUTE(L&C)
02/19/08	(H)	L&C RPT 4DP
02/19/08	(H)	DP: NEUMAN, BUCH, GARDNER, OLSON
02/27/08	(H)	RES REFERRAL WAIVED
03/17/08	(H)	TRANSMITTED TO (S)
03/17/08	(H)	VERSION: HB 295
03/18/08	(S)	READ THE FIRST TIME - REFERRALS
03/18/08	(S)	L&C
04/01/08	(S)	L&C AT 1:30 PM BELTZ 211

04/01/08 (S) Heard & Held  
04/01/08 (S) MINUTE(L&C)

BILL: SB 113

SHORT TITLE: NURSING MOTHERS IN WORKPLACE

SPONSOR(s): SENATOR(s) ELLIS

03/12/07 (S) READ THE FIRST TIME - REFERRALS  
03/12/07 (S) L&C, HES  
02/28/08 (S) L&C AT 1:30 PM BELTZ 211  
02/28/08 (S) Heard & Held  
02/28/08 (S) MINUTE(L&C)  
03/27/08 (S) L&C AT 1:30 PM BELTZ 211  
03/27/08 (S) Scheduled But Not Heard

BILL: SB 280

SHORT TITLE: MEDICAID/ INS FOR CANCER CLINICAL TRIALS

SPONSOR(s): SENATOR(s) DAVIS

02/19/08 (S) READ THE FIRST TIME - REFERRALS  
02/19/08 (S) HES, L&C, FIN  
03/14/08 (S) HES AT 1:30 PM BUTROVICH 205  
03/14/08 (S) Heard & Held  
03/14/08 (S) MINUTE(HES)  
03/26/08 (S) HES AT 1:30 PM BUTROVICH 205  
03/26/08 (S) Moved CSSB 280(HES) Out of Committee  
03/26/08 (S) MINUTE(HES)  
03/27/08 (S) HES RPT CS 2DP 3NR NEW TITLE  
03/27/08 (S) DP: DAVIS, THOMAS  
03/27/08 (S) NR: ELTON, COWDERY, DYSON  
04/03/08 (S) L&C AT 1:30 PM BELTZ 211

BILL: HB 331

SHORT TITLE: MOTOR VEHICLES:LICENSES/INSURANCE/NOTICES

SPONSOR(s): REPRESENTATIVE(s) ROSES

01/18/08 (H) READ THE FIRST TIME - REFERRALS  
01/18/08 (H) L&C, JUD  
02/20/08 (H) L&C AT 3:00 PM CAPITOL 17  
02/20/08 (H) Moved CSHB 331(L&C) Out of Committee  
02/20/08 (H) MINUTE(L&C)  
02/21/08 (H) L&C RPT CS(L&C) NT 1DP 3NR 3AM  
02/21/08 (H) DP: GARDNER  
02/21/08 (H) NR: LEDOUX, RAMRAS, OLSON  
02/21/08 (H) AM: BUCH, NEUMAN, GATTO  
03/12/08 (H) JUD AT 1:00 PM CAPITOL 120  
03/12/08 (H) Moved CSHB 331(L&C) Out of Committee

03/12/08 (H) MINUTE(JUD)  
 03/13/08 (H) JUD RPT CS(L&C) NT 3DP 3NR  
 03/13/08 (H) DP: COGHILL, DAHLSTROM, RAMRAS  
 03/13/08 (H) NR: GRUENBERG, SAMUELS, HOLMES  
 03/19/08 (H) TRANSMITTED TO (S)  
 03/19/08 (H) VERSION: CSHB 331(L&C)  
 03/21/08 (S) READ THE FIRST TIME - REFERRALS  
 03/21/08 (S) L&C, JUD  
 04/03/08 (S) L&C AT 1:30 PM BELTZ 211

**WITNESS REGISTER**

NANCY MANLEY

Staff to Representative Lynn  
 Alaska State Capitol  
 Juneau, AK 99801-1182

**POSITION STATEMENT:** Commented on HB 295 for the sponsor.

PATRICK CUNNINGHAM

Staff to Senator Ellis  
 Alaska State Capitol  
 Juneau, AK 99801-1182

**POSITION STATEMENT:** Explained the proposed CSSB 113 (L&C).

DENNY DEWITT

National Federal of Independent Business  
 Anchorage, AK

**POSITION STATEMENT:** Opposed SB 113 and SB 280.

TOM OBERMEYER

Staff to Senator Davis  
 Alaska State Capitol  
 Juneau, AK 99801-1182

**POSITION STATEMENT:** Commented on SB 280 for the sponsor.

LINDA HALL, Director

Division of Insurance  
 Department of Commerce, Community & Economic Development  
 Juneau, AK

**POSITION STATEMENT:** Commented on SB 280, but had no position.

DR. MARY STEWART, President

Denali Oncology Group  
 Anchorage AK

**POSITION STATEMENT:** Supported SB 280.

DR. JEANNE ANDERSON

Katmai Oncology Group, LLC  
Anchorage, AK  
**POSITION STATEMENT:** Supported SB 280.

KRISTA RANGITSH, Cancer Research Nurse  
Anchorage, AK  
**POSITION STATEMENT:** Supported SB 280.

EMILY NINON, Director,  
Alaska Government Relations  
American Cancer Society  
Anchorage, AK  
**POSITION STATEMENT:** Supported SB 280.

DONNA CARROL, representing herself  
Juneau, AK  
**POSITION STATEMENT:** Supported SB 280.

BEVERLY WOOLEY, Director  
Division of Public Health  
Department of Health and Social Services (DHSS)  
Anchorage, AK  
**POSITION STATEMENT:** Said she was testifying as a private citizen  
and a cancer survivor. She supported SB 280.

CRYSTAL KOENEMAN  
Staff for Representative Roses  
Alaska State Capitol  
Juneau, AK  
**POSITION STATEMENT:** Commented on HB 331 for the sponsor.

WHITNEY BREWSTER, Director  
Division of Motor Vehicles  
Department of Administration (DOA)  
Anchorage, AK  
**POSITION STATEMENT:** Supported HB 331.

#### **ACTION NARRATIVE**

**CHAIR JOHNNY ELLIS** called the Senate Labor and Commerce Standing  
Committee meeting to order at [1:38:53 PM](#). Present at the call to  
order were Senators Davis, Stevens and Ellis.

#### **HB 379-CPA EDUCATION REQUIREMENTS**

[1:40:10 PM](#)

CHAIR ELLIS announced HB 379 to be up for consideration.

SENATOR STEVENS moved to report HB 379 from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

**HB 295-RECORDED OR FILED DOCUMENTS**

[1:41:37 PM](#)

CHAIR ELLIS announced HB 295 to be up for consideration.

NANCY MANLEY, staff to Representative Lynn, sponsor of HB 295, said she hadn't heard of any opposition to this bill.

SENATOR STEVENS moved to report HB 295 from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

**SB 113-NURSING MOTHERS IN WORKPLACE**

[1:42:37 PM](#)

CHAIR ELLIS announced SB 113 to be up for consideration.

PATRICK CUNNINGHAM, staff to Senator Ellis, sponsor of SB 113, explained the proposed CS [referred to as CSSB 113(L&C) 25-LS0435\E] made two changes. He said the intent of the CS was to provide more flexibility to the employer in terms of implementing the bill. One change was on page 1, line 10, that deleted "secure" and inserted "private and sanitary". The other change added a new section on page 1, line 13, that says nothing in this section requires an employer to allow a child in the workplace at times other than break times - in response to Senator Stevens' concern that an employer would have to provide day care and the child would be allowed to stay all day.

SENATOR STEVENS moved to adopt version E for discussion purposes. There were no objections and it was so ordered.

SENATOR STEVENS said he hadn't heard from business organizations like the Chamber of Commerce about the impact of providing a clean and private room and he would like to hear some feedback on that issue.

[1:46:41 PM](#)

DENNY DEWITT, National Federal of Independent Business, opposed SB 113. The issue for them is not the efficacy of breastfeeding, because they have been able to work these issues out. He said, however, that some small employers who have a business in a mall may not even have a restroom of their own; so providing a private and sanitary room becomes a real problem. Putting this

in the labor code would allow some inspector to make a judgment on what is an undue hardship for the employer. This person has no fiduciary responsibility for their decision.

SENATOR STEVENS asked Mr. Cunningham what this measure would mean for public schools.

MR. CUNNINGHAM replied he thought rooms for nursing teachers could be provided, but that would be up to the state agency that was charged with implementing the program to clarify. He hoped in the long run that the requirements would be minimal and that most facilities would be able to work something out for a nursing mother and child recognizing how important it is to promote the wellbeing of both.

CHAIR ELLIS asked if he found information about how other countries handle this situation.

MR. CUNNINGHAM answered he looked at the issue from the state perspective, not the international. All the Pacific states with the exception of Alaska have this friendly legislation in place already. Some studies of corporations have found accommodating nursing mothers benefits the employer because since their children are healthier, they don't have to miss work to care for sick ones.

CHAIR ELLIS said this bill is a conversation starter and he would like to send it on; he knew that more debate needed to happen.

SENATOR DAVIS commented that lots of employers already allow employees to have a place to nurse and express milk. It shouldn't be much of a problem in schools, because they already have at least a nurse's office that could be used for this purpose. Even small businesses could use just a cubicle. She thought most employees would probably go along with a good faith effort to provide a room.

SENATOR DAVIS moved to report CSSB 113 (L&C) version E from committee with individual recommendations. There were no objections and it was so ordered.

**SB 280-MEDICAID/ INS FOR CANCER CLINICAL TRIALS**

CHAIR ELLIS announced SB 280 to be up for consideration. [CSSB 280(HES), 25-LS1464\M was before the committee.]

[1:54:19 PM](#)

TOM OBERMEYER, staff to Senator Davis, sponsor of SB 280, said this measure requires health care insurers to provide insurance coverage for medical care received by a patient during certain approved clinical trials designed to test and approve prevention, diagnosis, treatment, or palliation of cancer. It directs the Department of Health and Social Services (DHSS) to provide Medicaid services to persons who participate in clinical trials relating to experimental procedures and provides for an effective date. He read the sponsor statement as follows:

Clinical trials are research studies that test how well new medical approaches work in patients. Each study answers scientific questions and tries to find better ways to prevent, screen for, diagnose, or treat disease. Patients who take part in cancer clinical trials have an opportunity to contribute to the knowledge of and progress against cancer. They also receive state-of-the art treatment from experts in the field.

The National Cancer Institute, as part of the U.S. National Institutes of Health, reports 6,000 cancer trials in the United States at any one time. They include trials in prevention, screening, diagnosis, treatment, quality-of-life, and genetic studies.

SB 280 removes important barriers to the participation of patients in cancer clinical trials in Alaska. It requires that all health care plans, including Medicaid, cover routine patient care costs for patients enrolled in all phases of clinical trials, including prevention, detection, treatment, and palliation (supportive care) of cancer. Currently Alaska health plans can exclude coverage for routine patient-care costs while a patient with cancer is enrolled in a clinical trial. Providers of health care plans often conclude that money is saved by excluding care while patients participate in clinical trials. But these patients, if not enrolled in clinical trials, will continue to receive conventional therapy at roughly the same or slightly increased costs in the short-run.

National Conference of State Legislatures' studies have shown that only 2-3 percent of eligible adult patients enroll in clinical trials with a 6.5 percent

increase in costs for clinical trial participants compared to nonparticipants. Without in-state facilities and support of clinical trials, participants in Alaska currently have to travel out of state increasing the cost of non-emergency transportation which is about 3 percent of total Medicaid costs.

In FY 2007 an estimated 4,600 patients received cancer treatments through Alaska's Medicaid program at a cost of \$21.5 million. The average payment per beneficiary was about \$4,675. The federal government reimburses the state at about 50 percent of the total costs. Based on an estimated 2.5 percent participation rate per above, about 115 patients are expected to participate in clinical trials each year. A 6.5 percent increase for 115 persons would add \$35.00 per year to Medicaid for cancer treatments. Non-emergency transportation costs for the same group are estimated to add another \$15.00 per year. The fiscal note adds an estimated \$50,000 per year with the federal government paying half of this.

Twenty-three states have passed legislation or instituted special agreements requiring health plans to pay the cost of routine medical care patients receive while participating in clinical trials. Passage of SB 280 will result in more successful outcomes in cancer treatments in Alaska, increase retention of patients in Alaska for their cancer care, and also, after full implementation, result in cost savings in the short and long term.

[1:59:04 PM](#)

MR. OBERMEYER concluded that this bill is trying to draw more people into the trials because Alaskans have a high incidence of cancer; patients who do participate are always at risk of not being covered for routine care. This will encourage them to participate at a greater rate in order to save lives and find answers to treating cancer.

SENATOR STEVENS asked what clinical trials are and if they are voluntary.

MR. OBERMEYER replied that clinical trials are always voluntary and a patient can pull out at any time. Their expenses are covered by the federal government, drug companies and private

organizations such as the American Association of Oncology. The only way to improve the present state-of-the-art cancer treatment is to present trials that can document results. He said that all of the developments are followed immediately through journals that are sent all around the world.

[2:01:26 PM](#)

SENATOR STEVENS asked who pays for this. Me? Why isn't all of it covered by the drug companies? Why ask insurance companies to pick up the cost?

MR. OBERMEYER replied all this bill asks is for insurance to cover routine patient care costs. It seeks to encourage patients who would normally hesitate to participate in a trial because of fear they will be dropped from routine coverage for doing it.

LINDA HALL, Director, Division of Insurance, Department of Commerce, Community & Economic Development, echoed Mr. Obermeyer's comments saying her enforcement concerns were addressed in this CS and that it brought the bill in line with other states' requirements.

MS. HALL, however, cautioned that this bill is mandating coverage for only a small percentage of Alaskans and that Alaskan plans are about 60 percent self-insured and those are regulated by the feds under the Employee Retirement and Income Security Act of 1974 (ERISA). She stated this measure would not apply to Alaska state employees through the Select Benefits Plan. It may or may not apply to some of the union health trusts under Title 21, but she has chosen not to use her resources on that litigation at this point. She said mandating this coverage also has the potential of increasing the cost of health care even though she agreed with the sponsor that it only looks at routine health care that would be provided otherwise. Some insurance contracts will exclude anything to do with someone who is involved in an experimental type of process. This puts good controls on that. This is not an attempt to have insurance companies pay for clinical trials.

[2:07:58 PM](#)

SENATOR STEVENS asked if this could be applied to a test where someone is accidentally given the flu, for instance.

MS. HALL replied no and that while she is not an expert, she explained that it's when someone has been diagnosed with cancer and various medications have already been developed and approved to be used on human beings. There are different levels of

testing like tests with control groups and with therapies that have been shown to have some reasonable expectation of a beneficial effect.

SENATOR STEVENS asked if there would ever be more demand on the insurance cost because the treatment made the disease worse. Would it force insurance companies to pay for anything beyond routine care?

MS. HALL answered that the patient would have gotten progressively worse anyway. She didn't envision additional charges other than possible additional testing.

[2:11:36 PM](#)

DR. MARY STEWART, President, Denali Oncology Group, Anchorage, said last year their group found improving access and enrolling more patients in clinical trials was its biggest priority. She explained that there all different kinds of clinical trials, but a typical cancer trial would take a standard treatment, Treatment A, and take another treatment, Treatment B, which might be better; usually there is a good deal of preliminary evidence. So patients enroll and doctors find out which one is better. Generally, using placebos is considered unethical for cancer treatment because it's such a serious disease. Everyone gets the standard of care treatment, but this is how doctors further their knowledge about the diagnosis and treatment of cancer.

She stated that 2,650 Alaskans will be diagnosed with cancer this year and having good treatment options is essential for them. Knowing what doesn't work is just as important as knowing what does. She said that cancer is a costly disease no matter how you cut it.

DR. STEWART related that many of the tests and medicines are better than before. For example, when clinical trials were completed for treating breast cancer with chemotherapy in the 90s; it was found that it didn't help. At the time chemotherapy was a \$100,000-procedure and it's more now; money was saved by having accurate information.

[2:16:37 PM](#)

SENATOR STEVENS asked what routine care is included with clinical trials.

DR. STEWART replied CAT scans, blood tests and things that would have to be done any way. Clinical trials don't add much to cancer care.

SENATOR STEVENS asked if she was saying there are no additional costs for a person who is in the clinical trial.

DR. STEWART answered not exactly. The added cost would be small, maybe less than 1 percent, for an extra X-ray or a blood test monitoring tumor marker levels. But these things have to be done anyway.

[2:18:39 PM](#)

DR. JEANNE ANDERSON, Katmai Oncology Group, agreed and added that in the 1970s, only 50 percent of cancer patients lived five years after diagnosis. In 2008, 66 percent are predicted to survive five years.

She said cancer physicians in Alaska are committed to providing the best care possible to their patients to relieve suffering and reduce death from cancer. They often turn to clinical trials for providing the best treatment. She explained, "A clinical trial is a formal scientific way to test whether a new treatment is safe, effective and superior to existing treatments."

DR. ANDERSON said Alaskan doctors support the clinical trials and have more than 50 open currently for cancer patients. However, she said, only a small number of patients enroll in these trials, about 40 patients per year. The reasons are varied and include lack of knowledge or interest by either the patient or the doctor, lack of availability of an appropriate trial or lack of insurance or just because of fear of losing insurance coverage. Passing this bill will remove an important barrier to access to clinical trials and will result in improved care for patients and facilitate their stay in Alaska for state-of-the-art care.

[2:20:44 PM](#)

DENNY DEWITT, Alaska Director, National Federation of Independent Business, opposed SB 280. While he appreciated the intent of this bill, he said to begin with, state employees are not covered by it. And it seems ironic that they would mandate this kind of coverage on small businesses in Alaska and not on employees of the state. ERISA plans and union welfare benefit plans are not covered; about 60 percent of the state's coverage is not included in this bill. So those expenses that do incur will fall heavily on small businesses.

MR. DEWITT said they know the uninsured group is growing and that small employers are more hesitant now to offer employee-based health insurance than they have been historically and many that have been providing health care coverage are finding ways to get out of it because of the cost. This is one more straw on the camel's back. Even though this measure would add less than 1 percent to the cost of coverage, that number would be borne by the small employers and would encourage them to not be in the employer-based market at all.

[2:23:48 PM](#)

KRISTA RANGITSH, Cancer Research Nurse, Providence Alaska Medical Center, said she is speaking on her own behalf today. She explained when a clinical trial is recommended to a patient by a physician as a best treatment option, they are referred to her office. Part of her discussion about the study with the patient includes informing them that their insurance company may not cover some or all of the costs associated with their cancer while on the study. She strongly encourages all patients to find out what their policy says about clinical trial coverage. This is where the road blocks appear.

She related that being diagnosed with cancer is already a difficult time for patients and the last thing they should have to worry about is finding out if their insurance covers a clinical trial their physician thinks is in their best interest. One of her ever-increasing reasons for patients not going on a clinical trial is because of lack of or fear of lack of insurance coverage. In many instances, treatments for cancer must be started right away and insurance companies take too long to determine if they will cover it or not. She concluded that she was confident more people would enroll in trials if insurance coverage was mandated for them. This would hopefully lead to finding more cures for cancer.

SENATOR STEVENS asked if this bill passed, would her insurance company offer her this coverage.

MS. RANGITSH replied she wasn't sure, but she would find out.

CHAIR ELLIS thought she might be covered under ERISA.

[2:26:33 PM](#)

EMILY NENON, Alaska Government Relations Director, American Cancer Society, said just because the state regulates only 40 percent of insurance coverage doesn't mean that the other 60

percent are not providing this coverage; a lot of them do. When Medicare decided to add this coverage years ago, three-quarters of the federal employee plans were already making that coverage. Having the language in statute would be important even for the plans that are not regulated by the state.

[2:28:13 PM](#)

DONNA CARROL, representing herself, Juneau, said she was diagnosed with cancer 10 years ago. She was so bad that she was shipped immediately to Seattle where she took part in a phase-3 clinical trial and was told the treatment was no different than what she would get if she weren't in the clinical trial. They wanted to test two drugs to find out if it was better to administer them together rather than one after the other. This clinical trial found that it was good to give them together.

[2:30:14 PM](#)

BEVERLY WOOLEY, Director, Division of Public Health, Department of Health and Social Services (DHSS), said she was testifying as a private citizen and a cancer survivor. She supported SB 280. She expressed the emotional turmoil that comes when diagnosed with cancer. She was eligible for a clinical trial and spent days on the Internet looking at the options and decided it was the best course of action for her. She also hoped that at the very least she would be contributing to research. She panicked when she found her insurance might not cover the cost of the trial. This brought her back to the time when she was 17 and her father died of cancer and depleted all his family's resources because he didn't have insurance. Fortunately, her insurance company eventually determined it would cover the cost of the clinical trial, which was demonstrated to not be significant. She received the care needed while research and new important information vital to improving future cancer care was gained.

CHAIR ELLIS thanked everyone for their testimony and said SB 280 would be held for consideration in the near future.

**CSHB 331-MOTOR(L&C) VEHICLES:LICENSES/INSURANCE/NOTICES**

[2:34:00 PM](#)

CHAIR ELLIS announced CSHB 331(L&C) to be up for consideration.

[2:34:31 PM](#)

CRYSTAL KOENEMAN, staff for Representative Roses, sponsor of HB 331, said it addresses four different things. It drops the penalty for failure to notify the Department of Motor Vehicles (DMV) of a name or address change from a class B misdemeanor to

a fine of not more than \$25. It also adds an affirmative defense clause that states if a person's license has been suspended for failure to show proof of insurance, that it is an affirmative defense to show the court they had insurance at the time. Third, HB 331 states if a person doesn't have vehicle insurance, he is guilty of a class B misdemeanor and a fine of at least \$500. Currently the only fine for driving without insurance is a license suspension of 90 days to 1-year. The sponsor feels the penalty should be stronger because people who drive without insurance cost the state more money.

Finally, current statute says that a person must fill out a form following a vehicle accident proving they did, in fact, have insurance at the time. If a person fails to fill out that form, a notice is sent to them requiring them to respond. If they don't respond after 30 days, their driver's license is suspended. The notice is sent to the address on file, not to the address that is listed on the accident report. So, section 4 changes the notification procedure to be sent to the most current address whether it is the one on the accident report or the one DMV has on file.

[2:37:43 PM](#)

WHITNEY BREWSTER, Director, Division of Motor Vehicles, Department of Administration (DOA) supported HB 331. She said sending a notice to the most recent address makes it more likely that the person will actually get it. The division could implement it fairly easily, she said, and it has a zero fiscal note.

CHAIR ELLIS asked what their current practice is and if this change requires any more staff.

MS. BREWSTER replied the division already sends a notice requesting proof of insurance. If they do not get a response, a second notice is sent via certified mail that indicates they have 30 days to provide it. If nothing happens, their license is suspended. Because the division currently sends the notice to the address on record, this change wouldn't add to their work load, but it would just allow an additional option to send it to a more current address than the one on file.

CHAIR ELLIS thanked everyone for their testimony and said HB 331 would be held. There being no further business to come before the committee, he adjourned the meeting at [2:40:45 PM](#).

