

HB

44

SENATE COMMITTEE REPORT

FURTHER Judiciary
Finance

DATE TURNED INTO OFFICE 4-21-88

1/15/88
Mr. President:

State Affairs Committee considered CSHB 44 (FIN) am
motor vehicle liability insurance and vehicle registration; efd

and recommended

replace with 5 CS CSHB (SA) same title
 or adopt CS new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)
 new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Joe P. ...

Do Not Pass

Don ...
Chairman signature and recommendation

Committee Backup attached

BILL NO: SCSCSHB44(SA)

DATE: April 25, 1988

TITLE: An Act relating to motor
vehicle liability insurance
and vehicle registration

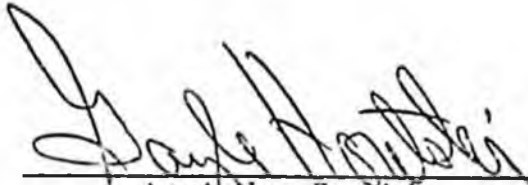
CONTACT: Bill Brown
465-4335

DEPARTMENT OF
PUBLIC SAFETY

This bill will require a person, prior to registering a motor vehicle, to certify that the vehicle is insured. The bill also repeals the sunset clause of the current Mandatory Insurance Law, which will sunset January 1, 1989, if no action is taken, and amends that law to correct two problem areas. In addition, the bill increases the annual registration fee for commercial vehicles by \$1.00, and changes the definition of "proof of financial responsibility".

The current Mandatory Insurance Law has had a positive effect on the number of uninsured motorists. It is felt that repeal of the sunset of that law is beneficial to the general motoring public. The new section of law dealing with certification of insurance at the time of vehicle registration will have some impact on the mail-out renewal program for the first couple of years until the public is familiar with the requirements. It may also have an effect on further reducing the number of uninsured motorists. The increase in fees will require minor computer program and form modifications.

The department supports this bill.



Arthur English
Commissioner

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN - SPENARD

PO. BOX V, JUNEAU 99811
(907) 465-3892



HB 44 - MANDATORY AUTOMOBILE INSURANCE PROGRAM

By Representative Dave Donley, Sponsor
January 14, 1988

CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE
INTERNATIONAL TRADE
SUB-COMMITTEE

HB 44, a measure to continue Alaska's mandatory automobile insurance program, passed the House on reconsideration today with a 35 - 2 vote.

HB 44 contains five major provisions:

1. Repeals the "sunset" included in the original law that would have ended the program in January 1989.
2. Requires proof of insurance "up front" in order to register a vehicle.
3. Cleans up problems with the financial responsibility section of the law that has been identified through court action since the original law was adopted.
4. Raises the cost of registering some commercial vehicles by \$1 dollar. (Approximately 50,000 commercial vehicles were registered in Alaska in 1987).
5. Amends the arbitration section of the law to allow arbitrations costs to be included in any award.

HB 44 was referred to the House Labor and Commerce, Judiciary and Finance Committee. The Finance Committee version was amended on the floor of the House to correct the effective date (in the original bill: January 1, 1988).

The Department of Public Safety estimates that HB 44 will require one additional clerk position to take care of mail in registration forms, at a cost of \$34,000 per year. The measure will generate approximately \$50,000 per year through increased registration fees.

The number of uninsured drivers in Alaska was estimated at 20 to 40 percent before the mandatory automobile insurance law took effect. The Department now estimates that number at around 10 percent. HB 44 could significantly reduce that number even further.

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN - SPENARD

P.O. BOX V, JUNEAU 99811
(907) 465-3892



CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE
INTERNATIONAL TRADE
SUBCOMMITTEE

Wednesday, January 13, 1988

SUMMARY OF COMMITTEE SUBSTITUTES AND REPORTS ON
HB 44 - MANDATORY AUTOMOBILE INSURANCE
Prepared by Representative Dave Donley

DB

HOUSE LABOR AND COMMERCE COMMITTEE:

HOUSE L&C CS ADDED A \$1 RAISE IN ALL VEHICLE REGISTRATION FEES, "FIXED" THE SR 22/PROOF OF FINANCIAL RESPONSIBILITY PROBLEM (YOU NOW HAVE TO HAVE INSURANCE ON ANY AND ALL VEHICLES YOU DRIVE) AND DELETED LANGUAGE REQUIRING NOTIFICATION OF CANCELLATION OF INSURANCE FROM ORIGINAL HB 44.

COMMITTEE VOTE WAS: MENARD & FURNACE - NO REC, DONLEY, KOPONEN, ELLIS, BOUCHER, DAVIDSON - DO PASS.

HOUSE JUDICIARY COMMITTEE

HOUSE JUDICIARY COMMITTEE ADDED "PROGRAMS RECEIPT" LANGUAGE (AS PER SPONSOR'S AMENDMENT TO THE COMMITTEE), RAISED THE REGISTRATION FEE BY \$5, AND ADDED "CERTIFY TO THE DEPARTMENT AND *PROVIDE PROOF OF THE EXISTENCE OF A LIABILITY POLICY".

COMMITTEE VOTE WAS: TAYLOR - DO NOT PASS, ULMER, SUND, GRUENBERG, BARNES, NAVARRE, COTTEN - DO PASS

HOUSE FINANCE COMMITTEE:

HOUSE FINANCE COMMITTEE TOOK OUT THE *"PROVIDE PROOF" LANGUAGE AND PUT THE REGISTRATION FEE BACK TO A \$1 RAISE FOR ALL VEHICLES UNDER AS 28.10.421(C) (WHICH COVERS ALMOST ALL COMMERCIAL VEHICLES).

COMMITTEE VOTE WAS: FRANK AND WALLIS - NO REC, ADAMS, POURCHOT, LARSON, BROWN, REIGER, BOYER, SWACKHAMMER, GOLL AND DAVIS - DO PASS.

FISCAL NOTES

THE DEPARTMENT ESTIMATES THE PROGRAM (UNDER THE HOUSE FINANCE VERSION) WILL COST AN ADDITIONAL \$34 THOUSAND/YEAR FOR ONE FULL TIME POSITION TO HANDLE MAIL-IN REGISTRATION. THE \$1 DOLLAR INCREASE IN COMMERCIAL VEHICLE REGISTRATION FEES UNDER THE FINANCE CS WILL GENERATE ABOUT \$50 THOUSAND DOLLARS A YEAR.

THE FISCAL NOTE SUBMITTED BY THE DEPARTMENT BEFORE LANGUAGE REQUIRING *"PROOF" OF INSURANCE AND NOTIFICATION OF CANCELLATION OF INSURANCE, WAS DELETED WAS OVER \$600 THOUSAND DOLLARS.

* * * * *

*"PROOF" WOULD REQUIRE A COPY OF AN INSURANCE POLICY AS OPPOSED TO "CERTIFY" WHICH COULD BE SATISFIED WITH A COPY OF AN INSURANCE BINDER OR A SWORN AFFIDAVIT.

Original sponsors: Donley and Collins

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 44 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle liability insurance
7 and vehicle registration; and providing for an effective date."
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 21.89.020 is amended by adding a new subsection to
11 read:

12 (f) An automobile liability insurance policy must provide that
13 all expenses and fees, not including counsel fees, incurred because of
14 arbitration or mediation shall be paid as a part of the arbitration
15 award.

16 * Sec. 2. AS 28.10.021(a) is amended to read:

17 (a) The owner of a vehicle subject to registration shall apply
18 for registration under this chapter by properly completing the form
19 prescribed by the commissioner under AS 28.05.041. Before the issuance
20 of a certificate of registration by the department, the owner
21 shall

22 (1) pay all registration fees and taxes required under this
23 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
24 4481 (Internal Revenue Code of 1954);

25 (2) unless the owner qualifies as a self-insurer under
26 AS 28.20.400, or is exempted from obtaining liability insurance under
27 AS 28.22.200, certify to the department the existence of a motor
28 vehicle liability policy that complies with AS 28.22.200 for the
29 vehicle being registered and certify that the liability policy will

1 remain in effect for the term the vehicle is registered and being
2 driven on a highway, vehicular way or area, or until the vehicle is
3 sold; and

4 (3) [SHALL] comply with [ANY] other applicable statutes and
5 regulations.

6 * Sec. 3. AS 28.10 041(a) is amended to read:

7 (a) The department may refuse to register a vehicle if

8 (1) the application contains a false or fraudulent state-
9 ment;

10 (2) the applicant fails to furnish information required by
11 the department;

12 (3) the applicant is not entitled to the issuance of a
13 certificate of title or registration under this chapter;

14 (4) the vehicle is determined to be mechanically unsafe to
15 be driven or moved on a highway, vehicular way or area, or other
16 public property in the [THIS] state;

17 (5) the department has reasonable grounds to believe that
18 the vehicle was stolen or fraudulently acquired or that the granting
19 of registration would be a fraud against the rightful owner or other
20 person having a valid lien upon the vehicle;

21 (6) the registration of the vehicle has been suspended or
22 revoked for any reason under the laws of the [THIS] state;

23 (7) the required fees or taxes have not been paid;

24 (8) the vehicle or applicant fails to comply with this
25 chapter or regulations authorized by this section;

26 (9) the vehicle is without a certificate of inspection
27 required under AS 28.32.010;

28 (10) the vehicle is subject to a state-approved local
29 emission inspection program adopted by municipal ordinance under

1 AS 46.03.210, and the vehicle does not meet the standards of that
2 program, unless the vehicle uses a fuel source that does not primarily
3 emit carbon monoxide;

4 (11) the applicant fails to certify to the department the
5 existence of a motor vehicle liability policy that complies with
6 AS 28.22.010 for the vehicle being registered, unless the owner of the
7 vehicle qualifies as a self-insurer under AS 28.20.400, or is exempted
8 from obtaining liability insurance under AS 28.22.200.

9 * Sec. 4. AS 28.10.051 is amended by adding a new subsection to read:

10 (b) Unless the owner qualifies as a self-insurer under AS 28.-
11 20.400, or is exempted from obtaining liability insurance under
12 AS 28.22.200, the department may suspend or revoke th registration of
13 a vehicle that is not insured by a motor vehicle liability policy that
14 complies with AS 28.22.010.

15 * Sec. 5. AS 28.10.421(c) is amended to read:

16 (c) The annual registration fees under this subsection are
17 imposed and are based upon the actual unladen weight as established by
18 the manufacturer's advertised weight or upon the actual weight which
19 the owner shall furnish, subject to the approval of the commissioner
20 or the commissioner's representative, for a vehicle, including a motor
21 vehicle pulling a trailer or semi-trailer, used or maintained for the
22 transportation of passengers for hire, excepting taxicabs and buses
23 under (b) of this section, or for the transportation of property for
24 hire or for other commercial use, including a commercial vehicle such
25 as a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambu-
26 lance, and tractor, as follows:

- 27 (1) up to and including 5,000 pounds \$51 [\$50];
28 (2) more than 5,000 pounds to and including 12,000 pounds .
29 \$86 [\$85];

- 1 (3) more than 12,000 pounds to and including 18,000 pounds
2 \$156 [\$155];
3 (4) more than 18,000 pounds \$221 [\$220].

4 * Sec. 6. AS 28.10.421 is amended by adding a new subsection to read:
5 (f) The fees collected by the department under this section
6 shall be deposited in the general fund. The Department of Adminis-
7 tration shall separately account for three percent of the fees
8 collected under this section and deposited in the general fund. The
9 annual estimated balance in the account may be used by the legislature
10 to make appropriations for administration of AS 28.10.021(a) and
11 AS 28.22 (Alaska Mandatory Automobile Insurance Act).

12 * Sec. 7. AS 28.15.255(c) is amended to read:
13 (c) In this section, the term "proof of financial responsibility
14 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
15 230(b)] and may be established as provided in AS 28.20.

16 * Sec. 8 AS 28.20.630 is amended to read:
17 Sec. 28.20.630. DEFINITIONS [DEFINITION]. In this chapter,
18 unless the context otherwise requires,

19 (1) "judgment" ["JUDGMENT"] means a judgment that [WHICH]
20 is final by expiration without appeal of the time within which an
21 appeal may be taken, or final by affirmation on appeal, given by a
22 court of a [ANY] state or of the United States, upon a cause of action
23 arising out of the ownership, maintenance, or use of a vehicle of a
24 type subject to registration under the laws of this state, for dam-
25 ages, including damages for care and loss of services, because of
26 bodily injury to or death of a person, or for damages because of
27 injury to or destruction of property, including the loss of use of
28 property, or upon a cause of action on an agreement of settlement for
29 such damages;

1 (2) "proof of financial responsibility" means an owner's
2 motor vehicle liability policy that covers all vehicles owned by the
3 person that are subject to registration in this state, or if the
4 person does not own a vehicle, proof required under AS 28.20.390.

5 * Sec. 9. AS 28.22 is amended by adding a new section to read:

6 Sec. 28.22.610. SHORT TITLE. This chapter may be cited as the
7 Alaska Mandatory Automobile Insurance Act.

8 * Sec. 10. Section 1 of this Act applies to automobile liability insur-
9 ance policies entered into or renewed on or after the effective date of
10 this Act.

11 * Sec. 11. AS 28.20.230(b) and secs. 17, 18, 19, 20, and 23 of ch. 70,
12 SLA 1984 are repealed.

13 * Sec. 12. This Act takes effect January 1, 1988.

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN - SPENARD

P.O. BOX V, JUNEAU 99811
(907) 465-3892



CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE
INTERNATIONAL TRADE
SUB-COMMITTEE

January 12, 1987

PRESS RELEASE * PRESS RELEASE *

Contact Person:
Representative Dave Donley
465-4954 or 465-3892

MANDATORY AUTO INSURANCE PROGRAM UP FOR A VOTE

HB 44, a measure to continue Alaska's mandatory automobile insurance program, will be up for a vote before the Alaska House of Representatives on Wednesday, January 13, 1988.

The bill, introduced by Representative Dave Donley, (D) - Anchorage, repeals the "sunset provisions" that would end the mandatory insurance program in January 1989.

HB 44 requires proof of insurance "up front" in order to register a vehicle and closes a loophole in the current financial responsibility section of the law. The bill also raises the fee for registering a vehicle by \$1 dollar to cover the costs of running the program.

"I'm very excited to see the bill come to a vote," said Representative Dave Donley. "The mandatory insurance program is an important law and HB 44 will keep it on the books. Better than that", Donley said, "HB 44 makes the law tougher and easier to enforce".

"Before Alaska's current mandatory insurance program went into effect", Donley said, "it was estimated that 20 to 40 percent of Alaska's drivers were uninsured. Now the Department of Public Safety pegs that number at around ten percent. HB 44 could cut that number in half".

"Responsible Alaskans insure their vehicles", Donley said. "This law helps weed out the irresponsible few who are putting us all at risk".

ALASKA STATE SENATE

JOE P. JOSEPHSON
DISTRICT H ANCHORAGE
3111 C STREET, SUITE 550
ANCHORAGE, ALASKA 99503
(907) 561-7611



WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4525

APR 17 1988

To: Senator Mitch Abood, Chairman
Senate State Affairs Committee

From: Senator Joe Josephson *Joe Josephson*

Re: Amendments to motor vehicle insurance legislation
under consideration

Date: April 14, 1988

On April 11th, I requested that the State Affairs Committee consider combining two bills that deal with mandatory motor vehicle insurance: one of them is my bill (SB 127) that passed out of our Committee last year, and one is HB 44 which is currently under consideration in our Committee. Attached are the amendments (from my bill) that I suggest be added to HB 44 to accomplish that action.

As I mentioned in my prior memorandum, it is my understanding that the Division of Motor Vehicles intends to support the combined HB 44.

With these amendments I am hopeful that we can take up this bill soon and move it out of Committee. Unless I hear from you I will assume there is nothing further I can do until the bill is brought up again in Committee.

Attachment.

cc: Commissioner Art English, Public Safety
Bill Brown, DMV, Public Safety
Representative Dave Donley
Ginger Baim, Rep. Donley's office
Carol Horos, Sen. Abood's office
Members of the Senate State Affairs Committee (also
copied with April 11, 1988 memo referenced above)

A M E N D M E N T

Offered in the SENATE

By Josephson

TO: CSHB 44(Finance) am

Page 1, after line 9:

Insert a new bill section to read:

"* Section 1. AS 21.36 is amended by adding a new section to read:

Sec. 21.36.045. NOTICE OF LIMITED MOTOR VEHICLE INSURANCE. (a)
An insurance policy that provides coverage only against property damage to a motor vehicle and that does not provide liability coverage as required under AS 28.22.010(d) must contain the following statement printed in bold face type: "This policy provides insurance only against damage to the motor vehicle. This policy does not insure against bodily injury, death, or property damage liability and does not satisfy the mandatory motor vehicle liability insurance requirements of AS 28.22.010."

(b) If the insured under (a) of this section is not the owner of the motor vehicle, a copy of the policy shall be provided to the owner."

Page 1, line 10:

Delete "Section 1."

Insert "Sec. 2."

Renumber remaining bill sections accordingly.

Page 5, after line 4:

Insert a new bill section to read:

"* Sec. 10. AS 28.22.200 is amended by adding a new subsection to read:

(c) In this section, "operator" does not include an employee who operates, during the course and within the scope of the employment, a motor vehicle that is owned or leased by the operator's employer."

Renumber remaining bill sections accordingly.

Page 5, line 8:

Delete "Section 1"

Insert "Sections 1 and 2"

Page 5, line 13:

Delete "11"

Insert "13"

Page 5, line 14:

Delete "Section 12"

Insert "Section 14"

STATE OF ALASKA

STEVE COWPER, GOVERNOR

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**

P. O. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2515

DIVISION OF INSURANCE

March 24, 1988

Honorable David Donl
House of Representatives
P.O. Box V
Juneau, AK 99811

Dear Representative Donley:

Re: Auto Insurance - HB 44

Section 1 of the above-referenced bill mandates a change in motor vehicle liability policies to require that the cost of arbitration or mediation, except the attorney's fees, be paid as part of the arbitration award.

Under current practice, arbitration costs are borne equally by both parties, regardless of the outcome of the mediation. The new language introduced through HB 44 would allow the arbitrator to award all or part of the arbitration costs to whichever party the arbitrator decides should most appropriately bear the costs of the proceedings.

To the extent that this provision removes a potential barrier to the consumer to pursue arbitration, it is supported. Arbitration is encouraged in nearly every instance especially if the alternative is expensive civil litigation or denying a customer the ability to protest a controversion because their share of the potential arbitration costs equals or exceeds the claim in question.

Additionally, Section 1 may very well prevent a small or minor claim ripening into a major dispute encompassing other issues such as bad faith.

Thank you for this opportunity to provide input concerning this matter.

Very truly yours,



Paul Roller
Acting Director

PR/mst7609m
032488a

A M E N D M E N T

Offered in the HOUSE

By Donley

TO: CSHB 44 (Finance)

Page 5, lines 9 - 10:

Delete "the effective date of this Act"

Insert "January 1, 1989"

Page 5, lines 11 - 12:

Delete "and secs. 17, 18, 19, 20, and 23 of ch. 70, SLA 1984 are"

Insert "is"

Page 5, line 13:

Delete all material and insert:

"* Sec. 12. Sections 17, 18, 19, 20, and 23 of ch. 70, SLA 1984, are repealed.

* Sec. 13. Sections 1 - 11 of this Act take effect January 1, 1989.

* Sec. 14. Section 12 of this Act takes effect immediately under AS 01.10.070(c)."

A M E N D M E N T

Offered in the SENATE

TO: CSHB 44(Finance) am

Page 1, lines 14 - 15:

Delete "a part of the arbitration award"

Insert "determined by the arbitrator"

STATE OF ALASKA
THE LEGISLATURE

POUCH Y. STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 24, 1988

SUBJECT: Motor vehicle liability insurance
CSHB 44(Fin) am

TO: Representative Dave Donley

FROM: Michael F. Ford *M.F.*
Legislative Counsel

You have asked several questions regarding CSHB 44(Fin) am. For clarity, each question is set out in this memo and a response follows:

1. What does "certify" mean as used in AS 28.10.021(a)(2), enacted in sec. 2 of the bill?

While "certify" is not defined, I believe this requires an owner who registers a vehicle to sign a statement or otherwise satisfy the department that the owner has an insurance policy and intends to continue to maintain the policy as required by law.

2. In AS 28.10.021(a)(2), enacted in sec. 2 of the bill, should the word "and" on page 2, line 1, be changed to "or" in order to allow a vehicle not being driven on a "highway, vehicular way, or area" to be exempt from the insurance requirement?

No. By using the term "and" it is only a vehicle that is required to be registered and is being driven on a highway, vehicular way, or area that is required to maintain liability insurance (until it is sold).

3. Does the language in section 1 regarding payment of expenses and fees as a part of an arbitration award allow an assessment of expenses and fees against both parties or a single party as determined by the arbitrator.

Representative Dave Donley

Page 2

March 24, 1988

If the language in this section is intended to allow an arbitrator to assess expenses and fees as determined by the arbitrator, then it would be clearer to delete the phrase "a part of the arbitration award" and substitute "as awarded by the arbitrator as mediator." This would remove the implication that only the party receiving an award can receive expenses and fees.

If you have further questions, please contact me.

MFF:bb

b4/047

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE

DISTRICT ELEVEN • SPENARD

NORTHWOOD • SPENARD • THOMPSON • TURNAGAIN • UPPER MDTOWN • WINDEMERE

P.O. BOX V, JUNEAU 99811

(907) 465-3892



CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE

January 19, 1988

M E M O R A N D U M

To: Senator Mitch Abood, Chair
Senate State Affairs Committee

From: Representative Dave Donley *LD*

Re: Request for hearing on HB 44 - Alaska Mandatory
Automobile Insurance Program.

I am writing to request a hearing before the Senate State Affairs Committee on HB 44 - Alaska's Mandatory Automobile Insurance Program.

HB 44 repeals the sunset provisions that would have ended the program in January 1989. In addition, the measure requires proof of insurance "up front" in order to register a vehicle, corrects problems with the financial responsibility section of the law, and adds \$1 to the cost of registering commercial vehicles that do not carry passengers for hire.

The increased registration fee will generate about \$50,000 in 1989. The Department of Public Safety's fiscal note for HB 44 is \$34,000 for one clerk position to handle mail-in registration.

HB 44 was considered by the House Labor and Commerce, Judiciary, and Finance Committee. It passed each committee and the full House by a wide margin.

Enclosed is a complete bill file. Please call me at 4954 if you have any further questions or need additional information.

P.S. I appreciate your comments in Wednesday's Times. I've been hit by an uninsured driver too. Hell of a way to start your day!

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version : HB 44

Publish Date : _____

REQUEST: _____

Revision Date: _____

Agency Affected: Public Safety

Title: An Act relating to motor vehicle liability insurance and the.....

BRU: Motor Vehicles

Sponsor: Donley & Collins

Components: Vehicle Services

Requestor: House Labor & Commerce

& Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		449.6	472.1	495.7	520.5	546.5
TRAVEL		8.5	8.9	9.3	9.8	10.3
CONTRACTUAL		177.4	143.2	150.4	157.9	165.8
SUPPLIES		6.0	6.3	6.6	6.9	7.2
EQUIPMENT		14.4	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		655.9	630.5	662.0	695.1	729.8

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		655.9	630.5	662.0	695.1	729.8
FEDERAL FUNDS						
OTHER						
TOTAL		655.9	630.5	662.0	695.1	729.8

POSITIONS:

FULL-TIME		15	15	15	15	15
PART-TIME					-	
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached pages.

Prepared by: Bill Brown

Phone: 465-4335

Division: Motor Vehicles

Date: 1-22-87

Approved by Commissioner: [Signature]

Date: 1/27/87

Agency: Public Safety //

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

JNR
1/22/87

BILL NO: HB44

DATE: January 21, 1987

TITLE: An Act relating to motor vehicle liability insurance and the insurance requirements . . . CONTACT: Bill Brown 465-4335

DEPARTMENT OF PUBLIC SAFETY

This bill requires owners of motor vehicles to provide proof of motor vehicle liability insurance prior to registering a motor vehicle. The bill also requires insurance companies to notify the department when a motor vehicle liability policy is "cancelled" at which time the department would suspend the registration for the vehicle. The bill does not require notification by insurance companies when a policy expires, thus no action would be taken by the department when a policy expires, but is not renewed, as the department would be unaware of these situations.

Requiring proof of insurance at the time of registration will impact DMV at its field offices, and the mail-out program. The time involved in the registration process will increase. Such work increases will create long lines at major field offices.

The requirement of notification placed on insurance companies will create additional workload on the companies, of which the cost will probably be passed on to the public by increasing premiums. Keeping track of the notifications and suspending registrations by DMV with all the "due process" requirements will create a costly administrative burden.

The cost of the extra workload could be justified if such a program were extremely effective. The experience of other states has shown this is not the case. It is relatively easy for a person to obtain a binder, register a vehicle, and then immediately cancel the policy without making any payments. States with requirements similar to this bill estimate that between 3 and 10 percent of their registered vehicles are uninsured.

The Department of Public Safety opposes this bill because it is not cost effective.

William R. Nix

WILLIAM R. NIX
Acting Commissioner

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 44

ANALYSIS:

There are approximately 450,000 motor vehicles for which proof of insurance will be required prior to registration. The checking and processing of the insurance papers will require extra time at the field offices, and for the mail-out program. It is estimated that approximately 20-30% of these vehicles will be refused registration upon first application because the owner does not have proper proof. This will require a second trip to division offices when the proper proof is obtained.

It is estimated that 10% of the vehicles (45,000) will have policy cancellations due to non-payment, sale of vehicle, leaving state, etc. Suspension notices would be sent to 90% of those owners (40,500). No notice would be sent when registration is expiring within 30 days. The notices must be sent by certified mail as required by law. Approximately 2,500 hearings will be requested annually as a result of the suspension notices.

71000 Personal Services

Anchorage

1 Driver Imp. Spec. (Hearing Officer) Range 16	43.8
1 Document Proc. Clk III, Range 10	31.4
4 MVR II, Range 9	119.2
2 Document Proc. Clk II, Range 8	56.4
3 Document Proc. Clk I, Range 7	80.5
2 Clerk Typist II, Range 7	53.6

Fairbanks

2 MVR II, Range 9	<u>64.7</u>	449.6
-------------------	-------------	-------

72000 Travel

Travel and per diem for hearing officer to conduct hearings	8.5	8.5
--	-----	-----

73000 Contractual

Professional Services

DP program modification	36.0*	36.0
-------------------------	-------	------

Communications

Postage

Return mailing for incorrect renewals	8.8
Certified suspension letters 40,500 @ \$1.75	70.9
Certified hearing letters 2,500 @ \$1.75	4.4
General correspondence	2.5
Telephones and tolls	<u>3.0</u>
	89.6

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 44

Promotion and Advertising		
Forms	7.5	
Advertising	<u>5.0</u>	12.5
DP Network Connect - 9 terminals	9.0	
CRT maintenance	<u>8.1</u>	17.1
Equipment lease		
9 CRTs and printers @\$206 per month each	22.2	<u>22.2</u>
		177.4
74000 Supplies		
Normal office supplies, computer paper, microfilm supplies, etc.	6.0	6.0
75000 Equipment		
5 desks @ \$468	2.3	
4 typewriters @ 1369	5.5	
5 chairs @ \$272	1.4	
4 counter stools @ \$350	1.4	
3 CRT tables @ \$225	.7	
6 file cabinets @ \$308	1.8	
1 storage cabinet @ \$300	.3	
Recording equipment	<u>1.0</u>	
		<u>14.4</u>
		TOTAL 655.9

* initial programming charge - first year only.

5% inflation factor used for FY89 and subsequent years.

Position Title Driver Improvement Specialist (Hearing Off.)		No. of Positions 1	Range/Step 16A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District 7-15
		Justification		
Type of Expenditure		Amount		
1	2	3		
Salary	32,424			
Benefits	8,106			
Premium Pay				
Other	3,027			
Total Personal Services		43.8		
Travel		8.5		
Contractual		5.0		
Commodities		.7		
Equipment		1.0		
Other				
Total Cost		59.0		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	59.0		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

The position will hold hearings under the motor vehicle administrative suspension program. Each time an individual's motor vehicle registration has been suspended the owner has the right to ask for a hearing. The position would prepare the records for each hearing and maintain the appropriate records of the hearing.

Travel for FY88 is based on trips to the Kenai Peninsula, Palmer, Kodiak and areas in Southeast.

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Vehicle Services

Page 4 of 10
 Revised Date

FY 88

Position Title Document Processing Clerk III		No. of Positions 1	Range/Step 10B	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District 7-15
Justification				
Type of Expenditure		Amount		
1	2	3		
Salary	22,716			
Benefits	5,679			
Premium Pay				
Other	3,027			
Total Personal Services		31.4		
Travel				
Contractual		2.0		
Commodities		.4		
Equipment		2.1		
Other				
Total Cost		35.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	35.9		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
<p>This position would process correspondence concerning oral and written communications or statements from motor vehicle owners following notification of suspension.</p> <p>Would be sub-supervisor of the mandatory insurance section. When necessary would prepare suspension notices for those whose insurance cancellation notices have been received. These actions would be data entered in the computer system to verify for accuracy of status, and to prevent legal repercussions.</p>				

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Vehicle Services

Page 5 of 10
 Revised Date

FY 88

Position Title Motor Vehicle Representative II		No. of Positions 4	Range/Step 9B	Barg. Unit GGU
Time Status PFT	Staff Months 48	Location Anchorage		Election District 7-15
Type of Expenditure		Amount		
1	2	3		
Salary	85,680			
Benefits	21,420			
Premium Pay				
Other	12,110			
Total Personal Services		119.2		
Travel				
Contractual		17.5		
Commodities		.8		
Equipment		1.1		
Other				
Total Cost		138.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	138.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

Justification

These positions would work the public counter to issue motor vehicle registrations and titles. Would assist the public by responding to inquiries concerning motor vehicle insurance requirements.

When necessary these positions will assist the mail out section in processing renewals and verification of insurance.

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Field Services

Page 6 of 10
 Revised Date

FY 88

Position Title Document Processing Clerk II		No. of Positions 2	Range/Step 8B	Barg. Unit GGU																																																
Time Status PFT	Staff Months 24	Location Anchorage		Election District 7-15																																																
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>1</th> <th>2</th> <th>3</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td></td> <td>40,272</td> <td></td> </tr> <tr> <td>Benefits</td> <td></td> <td>10,068</td> <td></td> </tr> <tr> <td>Premium Pay</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td>6,054</td> <td></td> </tr> <tr> <td>Total Personal Services</td> <td></td> <td></td> <td>56.4</td> </tr> <tr> <td>Travel</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Contractual</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Commodities</td> <td></td> <td></td> <td>.8</td> </tr> <tr> <td>Equipment</td> <td></td> <td></td> <td>4.8</td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Cost</td> <td></td> <td></td> <td>62.0</td> </tr> </tbody> </table>		Type of Expenditure	1	2	3	Salary		40,272		Benefits		10,068		Premium Pay				Other		6,054		Total Personal Services			56.4	Travel				Contractual				Commodities			.8	Equipment			4.8	Other				Total Cost			62.0	Justification These positions will process notifications from insurance carriers that a policy has been cancelled. Will research files and match cancellation with registration record and refer to suspension desk when appropriate. Will prepare certified copies of suspension notices and supporting documents for use by prosecutors, courts, law enforcement officers, etc.		
Type of Expenditure	1	2	3																																																	
Salary		40,272																																																		
Benefits		10,068																																																		
Premium Pay																																																				
Other		6,054																																																		
Total Personal Services			56.4																																																	
Travel																																																				
Contractual																																																				
Commodities			.8																																																	
Equipment			4.8																																																	
Other																																																				
Total Cost			62.0																																																	
<table border="1"> <thead> <tr> <th colspan="2">Funding Source for Total Cost</th> <th></th> </tr> </thead> <tbody> <tr> <td>Federal Receipts</td> <td>1002</td> <td></td> </tr> <tr> <td>G. F. Match</td> <td>1003</td> <td></td> </tr> <tr> <td>General Fund</td> <td>1004</td> <td>62.0</td> </tr> <tr> <td>I-A Receipts</td> <td>1006</td> <td></td> </tr> <tr> <td>CIP Receipts</td> <td>1061</td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> </tr> </tbody> </table>		Funding Source for Total Cost			Federal Receipts	1002		G. F. Match	1003		General Fund	1004	62.0	I-A Receipts	1006		CIP Receipts	1061		Other																																
Funding Source for Total Cost																																																				
Federal Receipts	1002																																																			
G. F. Match	1003																																																			
General Fund	1004	62.0																																																		
I-A Receipts	1006																																																			
CIP Receipts	1061																																																			
Other																																																				

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Vehicle Services

Page 7 of 10
 Revised Date _____

FY 88

Position Title Document Processing Clerk I		No. of Positions 3	Range/Step 7B	Org. Unit CGU	
Time Status PFT	Staff Months 36	Location Anchorage		Election District 7-15	
Type of Expenditure		Justification			
		<p>These positions will provide computer entry of microfilmed items for subsequent retrieval. They will also assist in preparation of documents for microfilming.</p> <p>The new law will generate thousands of pieces of paper which will need to be microfilmed in order to reduce storage costs.</p>			
1	2				3
Salary	57,096				
Benefits	14,274				
Premium Pay					
Other	9,082				
Total Personal Services					80.5
Travel					
Contractual					13.1
Commodities					.6
Equipment					1.4
Other					
Total Cost					95.6
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	95.6			
I-A Receipts	1006				
CIP Receipts	1061				
Other					

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Vehicle Services

Page 8 of 10
 Revised Date

FY 88

Position Title Clerk Typist II		No. of Positions 2	Range/Step 7B	Barg. Unit GGU
Time Status PFT	Staff Months 24	Location Anchorage		Election District 7-15
Justification				
Type of Expenditure		Amount		
1	2	3		
Salary	38,064			
Benefits	9,516			
Premium Pay				
Other	6,054			
Total Personal Services		53.6		
Travel				
Contractual				
Commodities				
Equipment		3		
Other				
Total Cost		57.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	57.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
<p>These positions would process the necessary paperwork for scheduling hearings, notifying individuals fo hearing date, time and location, and maintain files. Would also assist in preparing suspension notices and mailing to those whose insurance has been cancelled. Would field inquiries, and refer technical items to supervisor or hearing officer.</p> <p>Would prepare correspondence and transcribe hearing tapes when necessary. Prepare appeal records when hearing officers decision is appealed by the owner to the court.</p>				

**Request For
New Position**

Agency Department of Public Safety
 DRU Division of Motor Vehicles
 Component Vehicle Services

Page 9 of 10
 Revised Date

FY 88

Position Title Motor Vehicle Representative II		No. of Positions 2	Range/Step 9E	Org Unit GGU
Time Status PFT	Staff Months 24	Location Fairbanks		Election District 19-21
Justification				
<p>These positions would work the public counter to issue motor vehicle registrations and titles. Would assist the public by responding to inquiries concerning motor vehicle insurance requirements.</p>				
Type of Expenditure		Amount		
1	2	3		
Salary	46.920			
Benefits	11.730			
Premium Pay				
Other	6.054			
Total Personal Services		64.7		
Travel				
Contractual		8.7		
Commodities		.4		
Equipment		.4		
Other				
Total Cost		74.2		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	74.2		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Field Services

Page 10 of 10
 Revised Date

FY 88

BILL NO: CS HR 44(L&C)

DATE: March 20, 1987

TITLE: An Act relating to motor
vehicle liability insurance
and motor vehicle registration

CONTACT: Bill Brown
465-4335

DEPARTMENT OF
PUBLIC SAFETY

This bill will require a person to sign a statement, prior to registering a motor vehicle, certifying that the vehicle is insured, and will continue to be insured until it is sold. The bill also increases motor vehicle registration fees, changes a definition, and repeals the repealer section of the current mandatory insurance law. Requiring people to sign a statement that they have insurance on a vehicle prior to registering it, and continue to maintain that insurance, will probably have little impact on reducing the number of uninsured if the current mandatory insurance program were to remain in effect. Since the current program is not funded in the FY88 operating budget, this bill may have greater impact.

Section 1, as worded, would either require DMV to refuse registration, or the applicant to file a false certification, when the owner knows the vehicle will not continually be insured until sold. An example being someone who spends summers in Alaska and winters in Arizona. If they put the vehicle on blocks during the winter, when absent from the State, there is no reason to continue to carry liability insurance. It is recommended a change be made to Section 1, line 24, to read "remain in effect whenever the vehicle is in operation," or similar language. This section will have a slight impact on DMV field offices, and a greater impact on the mail-out registration renewal program.

Section 8 changes the definition of "proof of financial responsibility for the future". It was previously defined in AS 28.20.230(b), which is repealed in Section 12 of this bill. It is recommended the last sentence in current AS 28.20.230(b) be added to the definition in Section 8. Otherwise, the words "proof of financial responsibility" and "proof", will be left undefined, and DMV may be unable to require SR-22 when an uninsured person enters into a settlement agreement (AS 28.20.120); after a judgment (AS 28.20.330); etc.

Section 12, repeals the repealer date of the current mandatory insurance law. That program is not funded in the proposed FY88 operating budget. The legislature may want to look at funding that program through use of the increased revenues generated by this bill. The cost to fully fund that program is \$260,400 for FY88. Otherwise it is recommended Section 12 be changed to repeal Section 17 of chapter 70, SLA 1984, effective July 1, 1987.

The department does not support this bill because of the problems outlined above.

Will = R. Nix
I AM R. NIX
Acting Commissioner

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

CSHB 44 (L&C)

REQUEST: _____

Bill Version: _____

Publish Date: _____

Revision Date: _____

Agency Affected: Public Safety

Title: An Act relating to motor vehicle liability insurance and motor vehicle...

BRU: Motor Vehicles

Sponsor: Donley

Components: Field Services

Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		14.9	30.7	31.6		
TRAVEL						
CONTRACTUAL		1.4	2.9	3.0		
SUPPLIES		.3	.4	.4		
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		16.6	34.0	35.0	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE		206.0	416.1	420.3	424.5	428.7
---------	--	-------	-------	-------	-------	-------

FUNDING: (Thousands of Dollars)

GENERAL FUND		16.6	34.0	35.0	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL		16.6	34.0	35.0	-0-	-0-

POSITIONS:

FULL-TIME		1	1	1	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Page 2.

Prepared by: Bill Brown

Phone: 465-4335

Division: Motor Vehicles

Date: 3-17-87

Approved by Commissioner: [Signature]

Date: 3/17/87

Agency: Public Safety

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 44 (L&C)

EXPENDITURES:

This fiscal note is prepared under the assumption the person registering a vehicle must affirm they have insurance, and will continue to carry the insurance when the vehicle is in operation. The wording of the committee substitute does not require proof of insurance up front as required in the original bill.

As a result of experience gained from the Emission Inspection Program it is realized the renewal by mail form will not always be adequately completed in regard to certifying insurance is in existence, thus some will need to be returned to the applicant. Of the 412,000 registrations processed in 1986, 110,000 were renewals by mail. It is estimated 10% of the renewals by mail will be incomplete in regard to insurance. The one position requested is to assist the mail-out renewal program. After the program is in operation for a couple years there will be less rejected applications, and the position will no longer be required.

PERSONAL SERVICES:

1 Motor Vehicle Rep. II, Anchorage, 9B	14.9
--	------

CONTRACTUAL:

Postage, 6,250 x \$.22	1.4
------------------------	-----

COMMODITIES:

Envelopes	.2
Other normal office supplies	<u>.1</u>

TOTAL 16.6

The above funding is for one-half year because of effective date of January 1, 1988.

A 3% inflation factor was used for FY89 and subsequent years.

REVENUES:

412,000 vehicles were registered in 1986. Revenue increase for FY88 is for one-half year because of effective date of January 1, 1988. 412,000 divided by one-half = 206,000 x \$1.00 fee increase = \$206,000.

A 1% growth factor was used for FY89 and subsequent years.

Position Title Motor Vehicle Representative II		No. of Positions One	Range/Step 9B	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District 7-15
Type of Expenditure		Amount		
1	2	3		
Salary	10,710			
Benefits	4,191			
Premium Pay				
Other				
Total Personal Services		14.9		
Travel				
Contractual		1.4		
Commodities		.3		
Equipment				
Other				
Total Cost		16.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	16.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

Justification

Process registration applications received under the mail-out renewal program. Inspect applications returned for completeness. Return applications which are incomplete with instructions on how to correct. Perform data entry for properly completed applications and send renewal registration and tabs to applicant.

Figures are for one-half year because of effective date of January 1, 1988.

**Request For
New Position**

Agency Public Safety
 BRU Motor Vehicles
 Component Field Services

Page 3 of 3
 Revised Date

FY 88

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

CSHB 44 (L&C)

Work Draft dated 3-12-87

Bill Version : _____
Publish Date : _____

REQUEST: _____

Revision Date: _____
Title: An Act relating to motor vehicle liability insurance and motor vehicle...
Sponsor: Donlev
Requestor: House Labor & Commerce

Agency Affected: Public Safety
BRU: Motor Vehicles
Components: Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		14.9	30.7	31.6		
TRAVEL						
CONTRACTUAL		1.4	2.9	3.0		
SUPPLIES		.3	.4	.4		
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		16.6	34.0	35.0	-0-	-0-
CAPITAL						
REVENUE		206.0	416.1	420.3	424.5	428.7

FUNDING: (Thousands of Dollars)

GENERAL FUND		16.6	34.0	35.0	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL		16.6	34.0	35.0	-0-	-0-

POSITIONS:

FULL-TIME		1	1	1	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Page 2.

Prepared by: Bill Brown Phone: 465-4335
Division: Motor Vehicles Date: 3-17-87

Approved by Commissioner: [Signature] Date: 3/17/87
Agency: Public Safety

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 44 (L&C)

Work Draft dated 3-12-87

EXPENDITURES:

This fiscal note is prepared under the assumption the person registering a vehicle must affirm they have insurance, and will continue to carry the insurance when the vehicle is in operation. The wording of the draft does not require proof of insurance up front as indicated in the memorandum dated 3-12-87, which accompanied the draft, nor as required in the original bill.

As a result of experience gained from the Emission Inspection Program it is realized the renewal by mail form will not always be adequately completed in regard to certifying insurance is in existence, thus some will need to be returned to the applicant. Of the 412,000 registrations processed in 1986, 110,000 were renewals by mail. It is estimated 10% of the renewals by mail will be incomplete in regard to insurance. The one position requested is to assist the mail-out renewal program. After the program is in operation for a couple years there will be less rejected applications, and the position will no longer be required.

PERSONAL SERVICES:

1 Motor Vehicle Rep. II, Anchorage, 9B	14.9
--	------

CONTRACTUAL:

Postage, 6,250 x \$.22	1.4
------------------------	-----

COMMODITIES:

Envelopes	.2
Other normal office supplies	.1

TOTAL 16.6

The above is funding for one-half year because of effective date of January 1, 1988.

A 3% inflation factor was used for FY89 and subsequent year.

REVENUES:

412,000 vehicles were registered in 1986. Revenue increase for FY88 is for one-half year because of effective date of January 1, 1988. 412,000 divided by one-half = 206,000 x \$1.00 fee increase = \$206,000.

A 1% growth factor was used for FY89 and subsequent years.

Position Title Motor Vehicle Representative II			No. of Positions One	Range/Step 9B	Barg. Unit CCU
Time Status PFT	Staff Months 12		Location Anchorage		Election District 7-15
Type of Expenditure			Justification		
1		2	3		
Salary		10.710	<p>Process registration applications received under the mail-out renewal program. Inspect applications returned for completeness. Return applications which are incomplete with instructions on how to correct. Perform data entry for properly completed applications and send renewal registration and tabs to applicant.</p> <p>Figures are for one-half year because of effective date of January 1, 1988.</p>		
Benefits		4.191			
Premium Pay					
Other					
Total Personal Services		14.9			
Travel					
Contractual		1.4			
Commodities		.3			
Equipment					
Other					
Total Cost		16.6			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	16.6			
I-A Receipts	1006				
CIP Receipts	1061				
Other					

Request For
New Position

Agency Public Safety
 BRU Motor Vehicles
 Component Field Services

Page 3 of 3
 Revised Date

FY 88

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: HB 44

Publish Date: _____

Revision Date: _____

Agency Affected: Commerce & Econ. Dev.

Title: An Act relating to motor vehicle liability

Insurance

insurance & the requirements for obtaining and maintaining motor vehicle registration

Sponsor: Donley

Components: PUBLIC PROTECTION

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: John L. George, Director

Division: Division of Insurance

Phone: 465-2515

Date: February 2, 1987

Approved by Commissioner: J. Anthony Smith

Agency: Commerce and Economic Development

Date: February, 1987

Distribution (by preparer):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

Senate Secretary

0456K2287a

BILL NO: HB44

DATE: January 21, 1987

TITLE: An Act relating to motor vehicle liability insurance and the insurance requirements . . . CONTACT: Bill Brown 465-4335

DEPARTMENT OF PUBLIC SAFETY

This bill requires owners of motor vehicles to provide proof of motor vehicle liability insurance prior to registering a motor vehicle. The bill also requires insurance companies to notify the department when a motor vehicle liability policy is "cancelled" at which time the department would suspend the registration for the vehicle. The bill does not require notification by insurance companies when a policy expires, thus no action would be taken by the department when a policy expires, but is not renewed, as the department would be unaware of these situations.

Requiring proof of insurance at the time of registration will impact DMV at its field offices, and the mail-out program. The time involved in the registration process will increase. Such work increases will create long lines at major field offices.

The requirement of notification placed on insurance companies will create additional workload on the companies, of which the cost will probably be passed on to the public by increasing premiums. Keeping track of the notifications and suspending registrations by DMV with all the "due process" requirements will create a costly administrative burden.

The cost of the extra workload could be justified if such a program were extremely effective. The experience of other states has shown this is not the case. It is relatively easy for a person to obtain a binder, register a vehicle, and then immediately cancel the policy without making any payments. States with requirements similar to this bill estimate that between 3 and 10 percent of their registered vehicles are uninsured.

The Department of Public Safety opposes this bill because it is not cost effective.

Handwritten signature of William R. Nix above a horizontal line, with the printed name WILLIAM R. NIX and title Acting Commissioner below it.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version : HB 44

Publish Date : _____

REQUEST: _____

Revision Date: _____

Title: An Act relating to motor vehicle liability insurance and the.....

Sponsor: Donley & Collins

Requestor: House Labor & Commerce

Agency Affected: Public Safety

BRU: Motor Vehicles

Components: Vehicle Services

& Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		449.6	472.1	495.7	520.5	546.5
TRAVEL		8.5	8.9	9.3	9.8	10.3
CONTRACTUAL		177.4	143.2	150.4	157.9	165.8
SUPPLIES		6.0	6.3	6.6	6.9	7.2
EQUIPMENT		14.4	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		655.9	630.5	662.0	695.1	729.8

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		655.9	630.5	662.0	695.1	729.8
FEDERAL FUNDS						
OTHER						
TOTAL		655.9	630.5	662.0	695.1	729.8

POSITIONS:

FULL-TIME		15	15	15	15	15
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached pages.

Prepared by: Bill Brown

Division: Motor Vehicles

Phone: 465-4335

Date: 1-22-87

Approved by Commissioner: [Signature]

Agency: Public Safety

Date: 1/22/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

JNR
1/22/87

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 44

ANALYSIS:

There are approximately 450,000 motor vehicles for which proof of insurance will be required prior to registration. The checking and processing of the insurance papers will require extra time at the field offices, and for the mail-out program. It is estimated that approximately 20-30% of these vehicles will be refused registration upon first application because the owner does not have proper proof. This will require a second trip to division offices when the proper proof is obtained.

It is estimated that 10% of the vehicles (45,000) will have policy cancellations due to non-payment, sale of vehicle, leaving state, etc. Suspension notices would be sent to 90% of those owners (40,500). No notice would be sent when registration is expiring within 30 days. The notices must be sent by certified mail as required by law. Approximately 2,500 hearings will be requested annually as a result of the suspension notices.

71000 Personal Services

Anchorage

1 Driver Imp. Spec. (Hearing Officer)	
Range 16	43.8
1 Document Proc. Clk III, Range 10	31.4
4 MVR II, Range 9	119.2
2 Document Proc. Clk II, Range 8	56.4
3 Document Proc. Clk I, Range 7	80.5
2 Clerk Typist II, Range 7	53.6

Fairbanks

2 MVR II, Range 9	64.7
-------------------	------

449.6

72000 Travel

Travel and per diem for hearing officer to conduct hearings	8.5	3.5
---	-----	-----

73000 Contractual

Professional Services

DP program modification	36.0*	36.0
-------------------------	-------	------

Communications

Postage

return mailing for incorrect renewals	8.8
Certified suspension letters	
40,500 @ \$1.75	70.9
Certified hearing letters	
2,500 @ \$1.75	4.4
General correspondence	2.5
Telephones and tolls	3.0

89.6

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 44

Promotion and Advertising			
Forms	7.5		
Advertising	<u>5.0</u>	12.5	
DP Network Connect - 9 terminals	9.0		
CRT maintenance	<u>8.1</u>	17.1	
Equipment lease			
9 CRTs and printers @\$206 per month each	22.2	<u>22.2</u>	
			177.4
74000 Supplies			
Normal office supplies, computer paper, microfilm supplies, etc.	6.0		6.0
75000 Equipment			
5 desks @ \$468	2.3		
4 typewriters @ 1369	5.5		
5 chairs @ \$272	1.4		
4 counter stools @ \$350	1.4		
3 CRT tables @ \$225	.7		
6 file cabinets @ \$30 ^R	1.8		
1 storage cabinet @ \$500	.3		
Recording equipment	<u>1.0</u>		
			<u>14.4</u>
			TOTAL 655.9

* initial programming charge - first year only.

5% inflation factor used for FY89 and subsequent years.

Position Title Driver Improvement Specialist (Hearing Off.)		No. of Positions 1	Range/Step 16A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District 7-15
Justification				
Type of Expenditure			Amount	
1	2	3		
Salary	32,424			
Benefits	8,106			
Premium Pay				
Other	3,027			
Total Personal Services		43.8		
Travel		8.5		
Contractual		5.0		
Commodities		.7		
Equipment		1.0		
Other				
Total Cost		59.0		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	59.0		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

This position will hold hearings under the motor vehicle administrative suspension program. Each time an individual's motor vehicle registration has been suspended the owner has the right to ask for a hearing. The position would prepare the records for each hearing and maintain the appropriate records of the hearing.

Travel for FY88 is based on trips to the Kenai Peninsula, Palmer, Kodiak and areas in Southeast.

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Vehicle Services

FY 88

Page 4 of 10
 Revised Date

Position Title Document Processing Clerk III			No. of Positions 1	Range/Step 10B	Barg. Unit GGU
Time Status PFT	Staff Months 12		Location Anchorage		Election District 7-15
Justification					
Type of Expenditure			Amount		
1	2	3			
Salary	22,716				
Benefits	5,679				
Premium Pay					
Other	3,027				
Total Personal Services		31.4			
Travel					
Contractual		2.0			
Commodities		.4			
Equipment		2.1			
Other					
Total Cost		35.9			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	35.9			
I-A Receipts	1006				
CIP Receipts	1061				
Other					
<p>This position would process correspondence concerning oral and written communications or statements from motor vehicle owners following notification of suspension.</p> <p>Would be sub-supervisor of the mandatory insurance section. When necessary would prepare suspension notices for those whose insurance cancellation notices have been received. These actions would be data entered in the computer system to verify for accuracy of status, and to prevent legal repercussions.</p>					

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Vehicle Services

Page 5 of 10
 Revised Date

FY 88

Position Title Motor Vehicle Representative II		No. of Positions 4	Range/Step 9B	Barg. Unit GGU
Time Status PFT	Staff Months 48	Location Anchorage		Election District 7-15
Type of Expenditure		Justification		
		These positions would work the public counter to issue motor vehicle registrations and titles. Would assist the public by responding to inquiries concerning motor vehicle insurance requirements.		
Amount		When necessary these positions will assist the mail out section in processing renewals and verification of insurance.		
1	2	3		
Salary	85,680			
Benefits	21,420			
Premium Pay				
Other	12,110			
Total Personal Services		119.2		
Travel				
Contractual		17.5		
Commodities		.8		
Equipment		1.1		
Other				
Total Cost		138.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	138.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Field Services

Page 6 of 10
 Revised Date

FY 88

Position Title Document Processing Clerk II		No. of Positions 2	Range/Step 8B	Barg. Unit GGU	
Time Status PFT	Staff Months 24	Location Anchorage		Election District 7-15	
Type of Expenditure		Justification			
Amount		<p>These positions will process notifications from insurance carriers that a policy has been cancelled. Will research files and match cancellation with registration record and refer to suspension desk when appropriate.</p> <p>Will prepare certified copies of suspension notices and supporting documents for use by prosecutors, courts, law enforcement officers, etc.</p>			
1	2				3
Salary	40,272				
Benefits	10,068				
Premium Pay					
Other	6,054				
Total Personal Services					56.4
Travel					
Contractual					
Commodities					.8
Equipment		4.8			
Other					
Total Cost		62.0			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	62.0			
I-A Receipts	1006				
CIP Receipts	1061				
Other					

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Vehicle Services

Page 7 of 10
 Revised Date _____

FY 88

Position Title Document Processing Clerk I		No. of Positions 3	Range/Step 7B	Barg. Unit GGU
Time Status PFT	Staff Months 36	Location Anchorage		Election District 7-15
Type of Expenditure		Justification		
1	2	3		
Salary	57,096	<p>These positions will provide computer entry of microfilmed items for subsequent retrieval. They will also assist in preparation of documents for microfilming.</p> <p>The new law will generate thousands of pieces of paper which will need to be microfilmed in order to reduce storage costs.</p>		
Benefits	14,274			
Premium Pay				
Other	9,082			
Total Personal Services	80.5			
Travel				
Contractual		13.1		
Commodities		.6		
Equipment		1.4		
Other				
Total Cost		95.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	95.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Vehicle Services

Page 8 of 10
 Revised Date

FY 88

Position Title Clerk Typist II		No. of Positions 2	Range/Step 7B	Barg. Unit GGU
Time Status PFT	Staff Months 24	Location Anchorage		Election District 7-15
Type of Expenditure		Justification		
1	2	3		
Salary	38,064	These positions would process the necessary paperwork for scheduling hearings, notifying individuals fo hearing date, time and location, and maintain files. Would also assist in preparing suspension notices and mailing to those whose insurance has been cancelled. Would field inquiries, and refer technical items to supervisor or hearing officer.		
Benefits	9,516			
Premium Pay				
Other	6,054			
Total Personal Services		53.6		
Travel		Would prepare correspondence and transcribe hearing tapes when necessary. Prepare appeal records when hearing officers decision is appealed by the owner to the court.		
Contractual				
Commodities	.4			
Equipment	3.6			
Other				
Total Cost		57.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	57.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Vehicle Services

Page 9 of 10
 Revised Date

FY 88

Position Title Motor Vehicle Representative II		No. of Positions 2	Range/Step 9E	Barg. Unit GGU
Time Status PFT	Staff Months 24	Location Fairbanks		Election District 19-21
Type of Expenditure		Justification		
		These positions would work the public counter to issue motor vehicle registrations and titles. Would assist the public by responding to inquiries concerning motor vehicle insurance requirements.		
Amount				
1	2	3		
Salary	46,920			
Benefits	11,730			
Premium Pay				
Other	6,054			
Total Personal Services		64.7		
Travel				
Contractual		8.7		
Commodities		.4		
Equipment		.4		
Other				
Total Cost		74.2		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	74.2		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For
New Position**

Agency Department of Public Safety
 BRU Division of Motor Vehicles
 Component Field Services

Page 10 of 10
 Revised Date

FY 88

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN, SPENARD

PO. BOX V, JUNEAU 99811
(907) 465-3892



CHAIRMAN
LABOR AND COMMERCE
COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATIONAL
AND SOCIAL SERVICES COMMITTEE
INTERNATIONAL TRADE
SUB-COMMITTEE

TO: All Representatives
FROM: Representative Dave Donley *DD*
DATE: May 15, 1987
RE: HB 44 MANDATORY AUTO INSURANCE

Today I received the attached letter regarding mandatory auto insurance. It clearly points out the need to preserve and strengthen the current mandatory auto insurance program. As you can see from the attached letter, there is no recourse in many situations for the victim when an uninsured motorist is responsible for an accident.

HB 44 strengthens this important program which protects our citizens from irresponsible drivers. I ask for your support of this measure.

DISTRIBUTED BY REP. DONLEY

Isenson Associates

Public Relations
Public Affairs Counseling

May 12, 1987

Art English,
Commissioner of Public Safety
P.O. Box N
Juneau, Ak. 99811

Dear Art,

This morning's Daily News included a story on the impending end of the mandatory auto insurance program. I would gladly pay the extra \$1 in auto registration fees to keep it alive. Here is why:

In 1969, our one-year-old car was almost totalled by someone who ran a stop sign. Police arrested him shortly after; he had been drinking. He had no insurance. Our company paid for repairs, and raised our rates.

In 1983, my old Toyota was totalled, while stopped at the red light at Minnesota and Tudor. A man ran into it with a van, from behind. He left the state; he had no insurance. Because he was a truck driver, he was persuaded to return and pay up -- after a court case. I lost the "good driver" rating so my insurance rate went up a little.

In 1985, a drunk ran into the Honda which we bought to replace the destroyed Toyota. Police arrested the driver for DWI; when he was released, he fled the state. He had no insurance. It took me months to find him -- in his hometown of Snohomish. He had committed suicide, and left 6 kids and no money; he had at least 10 years of DWI arrests and 4 convictions; he had once been a heavy equipment operator, and could no longer get work. My insurance company paid about \$5,000 in repairs, and my rates went up.

Earlier this year, a woman lost control of her car and caused an accident. I ran into her, but the policeman who arrived on the scene recognized that she was the cause, and ticketed her. At last: a driver who had insurance! For once, most of the bill is being paid by someone else, and my insurance costs won't be rising again. And she was sober!

I am tired of being victimized by drunks and deadbeats. Don't end the mandatory insurance program; strengthen it!

Sincerely,



Bev Isenson

cc: Rep. Dave Donley ✓
Rep. Max Gruenberg
Sen. Pat Rodey

943 Westbury Drive -- Anchorage, Alaska -- (907) 563-6480

700 H Street - Suite 4 - Anchorage, Alaska 99501 - (907) 276-4600

April 12, 1987

Four

Representative Al Adams
Chair, House Finance Committee
Box V
Juneau, Alaska 99811

Re: CSHB 44

Dear Mr. Chairman:

As you know, I represent the Association of Independent Insurance Agents and Brokers. I thought if I submitted my thoughts about the captioned bill in writing, I could save you and your committee members some valuable time instead of appearing before you in person.

One of the problems with the bill as written is the horrendous amount of money which will be required by the Division of Motor Vehicles to administer its provisions. I believe Bill Brown of that department will verify this allegation. Also, Don Koch of the Division of Insurance will authenticate the allegations, I believe.

We can cure the financial problems quite simply without doing injury to the bill. I refer to subsection (2), lines 25-28 on page 1. If, on line 27, we could delete this language, "certify to the department and provide proof" and substitute therefor, "sign a sworn statement to the department verifying" and if, on line 29, "certify" were changed to "verify", the matter would be solved.

These are simple changes; they would drastically reduce the financial impact to the state. I don't believe there will be much, if any, serious objection to these proposed changes.

If you feel there is merit to these suggestions, may I request you make copies of this informal letter and distribute them to your committee members?

Best regards,

Bob Ziegler

Robert H. Ziegler, Sr.

Pay for the privilege

When a driver takes to the road, fellow motorists shouldn't have to wait until they get broadsided to find out whether the guy carries liability insurance. If he doesn't, it's too late; the innocent party is stuck with the bill.

That's basically what happens under Alaska's so-called mandatory auto insurance law. Motorists are required to carry insurance, but no one checks until after an accident or serious traffic violation.

It's a screwy system. The people who most need to carry insurance are the most likely to try to save money by going without. Then, responsible motorists subsidize the others with higher insurance rates and uninsured motorist coverage.

Far better is the proposal offered by Anchorage Rep. Dave Donley: Require proof of insurance when drivers register their cars, and make sure the state has the money to enforce the new law. Registration fees would rise \$1 to offset the added costs, a bargain if it would get uninsured yahoos off the road.

Driving on public roads isn't a right; it's a privilege that carries some responsibilities. One of the most basic is to make sure drivers can pay for any damage they inflict on others.

ADN 5/14/87

RPHD
①

In State

Jan 26, 1988

Senator Winton Adams
Senate State Affairs Committee
Cuneo, Albany

**CAR-
INSURANCE
REQUIRED TO
REGISTER CAR**

Dear Senator Adams:

In regard to Bill 44, which passed the house. We're very angry about this. Here's another case of the government telling us what to do.

We have one truck we drive all the time that is insured, and we have several vehicles that we drive once or twice a year that we buy licenses for. Needless, to say we do not buy insurance on them. Maybe, we go a mile up the road to get wood. And the same for the other vehicles, which we seldom use BUT we do license them.

I've given Larson and Wanda the message that we will not buy licenses on these vehicles if this law passes. The State is going to lose a lot of money as we've talked to a lot of people and they feel the same as we do.

When you buy insurance you buy against the uninsured motorist. So it cost you more. Are you going to take a chance that everyone as insurance and not buy it. I doubt it. Are you going to fill the insurance companies coffers and let the state lose money?

Sincerely,
Dattu Eastham
Dattu Eastham
Farmer

RECEIVED
JAN 29 1988

NO

FEB 4 1988

JIM & DORCAS SEARS
2469^{1/2} Richardson Hwy.
North Pole, AK 99705
(907) 488-6178

Sen. Ken Fanning

1st
1-28-88

Dear Sir,

On wednesday night when you were on the air on the Agbaba talk show. Guy Sattley brought up a subject that I am interested in also just about the same circumstances. The subject was about the mandatory proof of insurance for all vehicles owned before any can be registered.

at present I have several vehicles registered but only 2 insured. Only 1 of which I am driving. The 2nd car is broke down but my insurance covers a replacement car in such cases. If the bill passes I would have to have insurance on that car before I could have it registered and it would be a nightmare transferring the paperwork around all the time. I also have 2 other cars registered. I have gotten them and fixed them up and they

are the space ^{YWH received 1/20/85} ^{8712-086 (709)} cars. If the
emissions are current when I get
a car I title it and register it
all at the same time. Standing in
line at the D.M.V. is not that much
fun for extra trips there. Or I
get it done as soon as I get the
emissions checked.

Like Guy Sattley I also have a
vehicle that is only occasional use.
It is a 1950 G.M.C. 3/4 Ton which has
a dump bed. I mainly use it on my
property up at Circle Hot Springs and
usually only insure it in the summer
when I am using it. But if the bill passes
I would have to insure it year round just
to get the others registered.

I also object to the extra \$1 tacked on.
They already tacked on \$5.⁰⁰ extra for the I.M.
test. Plus you have to pay about \$30. for the
test. That makes it \$65. per car whether
you drive it or not. I think if at all the I.M.
should only be required once every 3 yrs.
yours truly, Jim Seibert

PUBLIC OPINION MESSAGE

No
STV

DEAR: SENATOR FANNING

NAME: HAROLD GILLAM
TITLE:
ADDRESS: 104 2ND AVE.
CITY: FAIRBANKS
PHONE: 452-2534
BILL NO: HB 44
SUBJECT: INSURANCE PROOF WHEN REGISTERING VEHICLES
MESSAGE: SINCE I HAVE SEVERAL VEHICLES, HB44 WOULD ADVERSELY IMPACT ME.
WE DO INSURE THE VEHICLES THAT ARE USED PRIMARILY. THE OTHERS ARE USED
INTERMITTENTLY. I HAVE A GOOD DRIVING RECORD FOR 30 YEARS, SO I AM WILLING
TO ACCEPT THE RISK OF THEIR USE UNDER CURRENT LAW.
EOM-FZ-C

POHID: 07143733
DATE: 02/09/88
TIME: 14:37:33
LIONAME: FAIRBANKS LIO

FEB 10 1988

- COPIES: SENATORS
- FAHRENKAMP
 - COGHILL
 - BINKLEY
 - DUNCAN
 - FISCHER
 - HALFORD
 - HENSLEY
 - UEHLING
 - ZHAROFF
 - FAIKS
 - JOSEPHSON
 - KERTTULA
 - ROEY
 - STURGULEWSKI
 - ABOOD

BULTZ INTERNATIONAL COMPANY
Post Office Box 190965
Anchorage, Alaska 99519-0965
U. S. A.

VGT
ND
7 1988

Tel: (907) 274-8870

February 24, 1988

Senator Ken Fanning
P. O. Box V
Juneau, Alaska 99811

Dear Senator Fanning:

Your response to my letter on mandatory insurance is appreciated.

Enclosed here is a copy of the letter written to Senator Faiks by William R. Nix, Acting Commissioner, Department of Public Safety on the subject of mandatory insurance.

My copy of the letter was provided to me several months ago by Senator Patrick Rodey.

Yours sincerely

Marcus Sanford Bultz
Marcus Sanford Bultz

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER

RECEIVED JAN 21 1987

STEVE COWPER, GOVERNOR

P.O. BOX N
JUNEAU, ALASKA 99811-1200
PHONE: 465-4322

January 16, 1987

The Honorable Jan Faiks
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks:

The following information is provided as required by the letter of intent which accompanied Chapter 70, SLA 1984 (CCSHB 7).

During the first two years of administering the mandatory insurance law, motor vehicle traffic accidents involving 58,657 drivers were processed. Suspension notices were sent to 9,043 of those drivers, because they failed to provide proof within the required time frame that motor vehicle liability insurance was in effect at the time of the accident to cover the vehicle involved. Suspensions were voided for 3,313 of those drivers, who provided the proof of insurance upon receipt of the suspension notice. The remainder of the suspensions stayed in effect, which is 9.8 percent of the drivers involved in accidents.

Of the 9,043 drivers who were sent suspension notices under the mandatory insurance law, 3,770 were also suspended under the financial responsibility law. Suspensions were voided for 1,552 of those because they complied with the law upon receipt of the notice. Generally, compliance was met by providing proof they were insured at the time of the accident. Compliance was also met by the person obtaining a release from, or entering into a settlement agreement with the other party.

Under the financial responsibility law, the driver can be suspended only if he was uninsured and at fault. Under the mandatory insurance law, fault is not a factor. A suspension under the mandatory insurance law is for 90 days unless the person has previously been suspended under that law, in which instance the suspension is for one year. Suspension under the financial responsibility law is for three years, or until the person complies with the law by paying off damages, obtaining a release from the other party, or depositing security with the State in the amount of damages incurred in the accident.

In addition to suspensions generated by accidents, the department issued 6,635 suspensions as a result of a person being charged with a six or more point violation and failing to provide proof of insurance to the court. The department received 20,819 documents from the court for this type of violation. Of the 6,635 persons suspended, 739 were voided because the defendant provided proof of insurance upon receiving the suspension notice. Thus, 5,896 of the suspensions went into effect, which is 28.3 percent of the drivers involved.

The department forwarded 12,771 certifications of insurance to the insurance company named on the form for verification of coverage. The insurance company returned 566 due to no coverage, or incorrect data. Suspension notices were generated to those 566 drivers (these are included in the previous figures provided regarding accidents and violations). Some of the 566 were able to prove, through verification of the insurance company, that coverage was in existence at the time of the incident, and that the data, such as policy number, was incorrect on the original certification of insurance form.

In summary, as a result of accidents and violations which were processed under the mandatory insurance law during the past two years, 15,678 suspensions were generated, and 11,626 stayed in effect.

In an attempt to determine the percentage of uninsured drivers in the state, the accident statistics should be used. It is a much truer example of the average citizen. The violation figure definitely does not represent the "average" citizen. The majority of the violators are driving while intoxicated or driving while license suspended. In several instances, the reason for the "driving while license suspended" charge is because the driver has failed to obtain insurance which is required by law before reinstatement following any suspension, revocation or limitation.

The mandatory insurance law did have an impact on reducing the number of uninsured drivers. Prior to implementation of the law, figures compiled from accident reports reflected an uninsured rate of approximately 20 percent. As indicated above, the rate of uninsured drivers involved in accidents during the past two years is approximately 10 percent. The department was unable to find a procedure, other than using the data received administering the mandatory insurance law, to more precisely determine the percentage of uninsured drivers.

The mandatory insurance law has increased the workload in nearly every facet of the criminal justice community. From the police agency that makes more "driving while license suspended" arrests because more drivers are suspended; to the prosecutors who must handle more DWLS cases; to the courts which handle more DWLS cases, and must require defendants who are cited for a six or more point violation to file proof of insurance; to the Department of Public Safety, which must match proof of insurance forms with accidents and major violations, verify insurance coverage, suspend the uninsured, collect fees and issue new licenses after suspension, prepare certified copies for arresting agencies and prosecutors, etc.

During the first full fiscal year the mandatory insurance law was in effect, the financial cost to the Department of Law, the Courts, and the Department of Public Safety was approximately \$750,000. This does not include the cost of the police officer who was processing the suspended driver rather than doing preventive patrol or working some other type of case, nor the cost to the Department of Corrections to house the additional prisoners arrested for and/or convicted of driving while suspended. It is difficult to say whether or not the mandatory insurance program is cost effective.

The department was unable to compile complete statistics regarding the percentage of persons involved in traffic accidents who are compensated for their loss. The Division of Insurance receives information from the insurance industry concerning amounts paid to policy holders; however, they have no breakdown by type of accident. Thus, motor vehicle accident data is included with construction accidents, homeowner's accidents, etc. The department does maintain statistics concerning the financial responsibility law. The last complete year for which statistics are available reflect that 71 percent of the drivers suspended under that law complied with the law by providing proof they were insured at the time of the accident; by obtaining a release from the person who received the monetary loss; or by depositing security with the State in the amount of the monetary loss. The 29 percent of the drivers who were suspended under the financial responsibility law who never notified the department that they had complied with the law represents 2.9 percent of the total number of drivers involved in motor vehicle traffic accidents. This does not necessarily mean 2.9 percent of the people who were in motor vehicle accidents, and not at fault, were not compensated, as some may have had uninsured motorist coverage.

The public has expressed extreme dissatisfaction with the law for two specific scenerios, and the department feels corrective measures should be taken. One is when an employee is driving during the course and scope of employment, and is involved in an accident. Some claim to have asked the employer if the vehicle was insured, and were told yes. After the accident, the employee finds out the employer was uninsured. The department, in administering the law as written, suspends the employee, and no action is taken against the employer. A suggested change would be to add a subsection (h) to AS 28.22.240 to reflect: "If the driver at the time of the accident was driving in the course and scope of employment a vehicle owned, operated or leased by the driver's employer, the suspension provisions of this chapter apply to the employer, and do not apply to the driver".

The second scenerio is when an individual purchases insurance, generally through a car dealer, and honestly feels they carry the necessary coverage to comply with the law; however, when in an accident they learn the coverage is only for damage to their vehicle to protect the lienholder. The department feels a change needs to be made to not allow the sale of this type policy, unless the insurance agent includes motor vehicle liability coverage which complies with Chapter 22 of Title 28. The department is suspending the driver's license of a considerable number of drivers who fall in this category.

Another section of law the public has expressed considerable dissatisfaction with is AS 28.22.240(c)(1). This section reflects a limited license can be issued "for work purposes only." Several requests are turned down monthly when the purpose for the limited license is to drive to school (high school and/or college), or for medical reasons. I am not recommending a change, but did want to bring this concern of the public to your attention.

The mandatory insurance law has a repealer date of January 1, 1989. However, as part of the department's FY87 and FY88 budget cuts, administration of the program will be discontinued as of July 1, 1987. Therefore, the above recommended changes would be a waste of effort at this time. Instead you may want to amend the repealer section to be effective July 1, 1987, to prevent any possible liability problems.

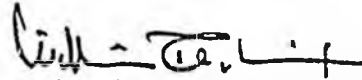
The Honorable Jan Faiks

-5-

January 16, 1987

I look forward to working with you this session. If I can be of any assistance, please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read "William R. Nix". The signature is written in a cursive style with a prominent horizontal line across the middle.

William R. Nix
Acting Commissioner

NO
9T ✓
January 27, 1988

Alaska State Senate
P. O. Box V
Juneau, Alaska 99811

FEB 1 1988

When the 13th legislature enacted the law referred to as The Alaska Mandatory Automobile Liability Insurance Law of 1984 they enacted a law that reminds me of the Grade B movies about "Little Sicily" around the turn of the century with the Mafia collecting protection money from people in the community.

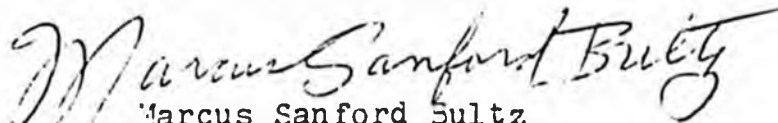
The mandatory insurance law puts the insurance bunch in the position of collecting "protection" money from Alaskan drivers and it places the State Troopers in the position of functioning as hired gunmen for the insurance bunch.

Legislative lackeys of the insurance bunch are now pushing through HB44 to put more money into the pockets of gluttonous insurance people.

Please be not a lackey of the insurance mob.

I implore you to vote No on HB 44.

Yours sincerely,


Marcus Sanford Sultz
Post Office Box 90893
Anchorage, Alaska 99509

The mandatory insurance law has increased the workload in nearly every facet of the criminal justice community. From the police agency that makes more "driving while license suspended" arrests because more drivers are suspended; to the prosecutors who must handle more DWLS cases; to the courts which handle more DWLS cases, and must require defendants who are cited for a six or more point violation to file proof of insurance; to the Department of Public Safety, which must match proof of insurance forms with accidents and major violations, verify insurance coverage, suspend the uninsured, collect fees and issue new licenses after suspension, prepare certified copies for arresting agencies and prosecutors, etc.

During the first full fiscal year the mandatory insurance law was in effect, the financial cost to the Department of Law, the Courts, and the Department of Public Safety was approximately \$750,000. This does not include the cost of the police officer who was processing the suspended driver rather than doing preventive patrol or working some other type of case, nor the cost to the Department of Corrections to house the additional prisoners arrested for and/or convicted of driving while suspended. It is difficult to say whether or not the mandatory insurance program is cost effective.

The department was unable to compile complete statistics regarding the percentage of persons involved in traffic accidents who are compensated for their loss. The Division of Insurance receives information from the insurance industry concerning amounts paid to policy holders; however, they have no breakdown by type of accident. Thus, motor vehicle accident data is included with construction accidents, homeowner's accidents, etc. The department does maintain statistics concerning the financial responsibility law. The last complete year for which statistics are available reflect that 71 percent of the drivers suspended under that law complied with the law by providing proof they were insured at the time of the accident; by obtaining a release from the person who received the monetary loss; or by depositing security with the State in the amount of the monetary loss. The 29 percent of the drivers who were suspended under the financial responsibility law who never notified the department that they had complied with the law represents 2.9 percent of the total number of drivers involved in motor vehicle traffic accidents. This does not necessarily mean 2.9 percent of the people who were in motor vehicle accidents, and not at fault, were not compensated, as some may have had uninsured motorist coverage.

Mandatory insurance unfair

I have read, with a great deal of interest, numerous letters to the editor regarding mandatory automobile insurance.

Well folks, you have one primary person to blame for this law. Speaker of the House, Joe Hayes. This was his pet bill and he went "all out" to get it passed.

By the time you read the signature on this letter you will find that I am an insurance agent. Personally, I am against mandatory automobile insurance. However, during the hearings I happened to be President of the Alaska Independent Insurance Agents and Brokers Association.

The association took "no position" on the bill. If we were for it, then we were just trying to line our pockets with premium and, if we were against it, then we did not care about the general public. It was a "no-win" issue.

It is clear that mandatory automobile insurance does not work. Enforcement is ineffective and expensive. (DMV will tell you it does work.) The law penalizes those low-income persons just barely surviving. Those who cannot afford insurance and then have the added cost of SR-22 filings and penalties. They could not afford it then and they certainly cannot afford it now.

On the other hand, if a person is really worried about financial protection, he can protect himself against the uninsured driver. The coverage, readily available, is a part of an automobile liability policy and is known as Uninsured Motorist Bodily Injury and Property Damage Protection.

Financial protection is a personal decision and passing a law compelling persons to protect themselves will never work.

— James W. Clement

What is Uchitel up to?

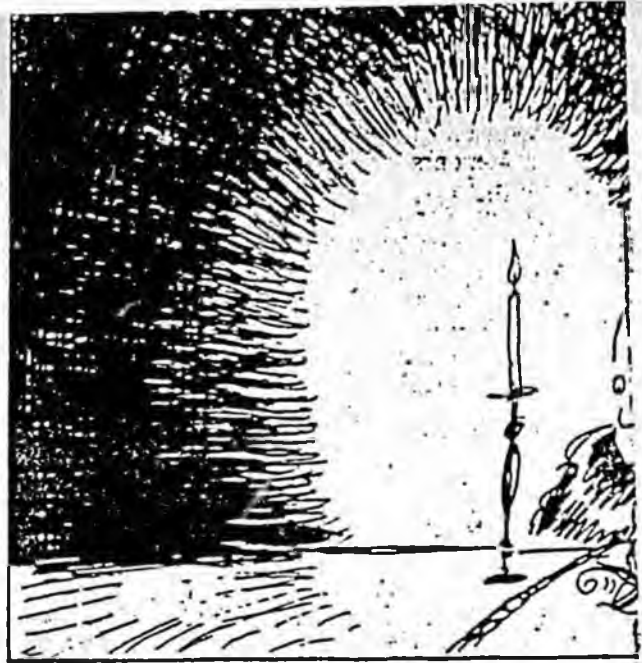
I, John Hale, an American, Alaskan, am more than interested in Bob Uchitel's full page ad in your paper. It reminded me a lot of something my son, Bill Hale, would write. Bill uses word play, homophones, double entendres, etc. to hide various messages that he wants you to decipher. Is this what Bob Uchitel is up to?

Looking for a hidden message or messages in Mr. Uchitel's notice I was able to come up with some clues. Reading down the left side of the paper (as in an acrostic) the bold letters spell out "IM A PI." π denotes the ratio of the circumference of a circle to its diameter the number is usually rounded off to 3:1416.

From here on I need some help. Why does Mr. Uchitel say he is a PI? Does it have something to do with him coming full circle? Does it mean "What goes around comes around?" I'm perplexed.

Maybe it's his way of telling the politicians that if they can figure out the true meaning of his Permanent Decision 3.1416 they will qualify for a well-earned political contribution from him. Who knows?

Whatever the message, I compliment Mr. Uchitel on his literal alliteration that states the purpose of parties is not promoting polls but the process of making points with the



"Letters from the people" is your space to comment on nearly any topic, subject only to considerations of length, libel and good taste.

Because we receive a great many letters — and hope to publish them all — there's a limit on length. In general, the shorter the letter, the sooner it can be published. In any case, the best guideline is 250 words or less. The Daily News reserves the right to edit all letters for punctuation, grammar, brevity, good taste and libel. If you won't make the letter short and

Your space to

electorate. Or put more simply — getting people to vote for you.

I'm thinking of seeking the Republican nomination for Senate Seat H-A now held by Joe Josephson. If I do, I'm going to take Bob Uchitel's advice by "trying (a) seemingly impossible action." I'm going to ask him for a political contribution.

After all Bob says, "... the difference between 'I can't' and 'I tried' is fun! To not try is completely irrational!"

— John Hale

Let's make our meanings clear

I must differ with writer Bob Fleming in his argument with Suzan Nightingale. "Privatize" is about as self-explanatory as the call of a wild Texas turkey gobbler ("Gobbledegook! Gobbledegook!"). How could it be self-explanatory when the word it is built on, "private," has so many different meanings?

For example, as an adjective private means:
1. Secluded from sight. 2. Confined to or belonging to a person or persons. 3. Not available to the public. 4. Not holding an office or public position. 5. Intimate; secret.
As a noun it means: 6. An enlisted man ranking below a corporal. 7. (plural) The genitals.

So when you tell someone that you have just been "privatized," you can see where a disastrous misunderstanding could easily occur. Does it mean: (1) someone has pulled

nony
red. I
nam?
won't

mack

lities
us a
illing
soon
the
y, to
y, we
es, 9.
street



mul-
g to
d we
the
as a
ill, a
ce of
ll the
em, I
arate
ould
that
iling,
even

"Letters from the people" is your space to comment on nearly any topic, subject only to considerations of length, libel and good taste. Because we receive a great many letters — and hope to publish them all — there's a limit on length. In general, the shorter the letter, the sooner it can be published. In any case, the best guideline is 250 words or less. The Daily News reserves the right to edit all letters for punctuation, grammar, brevity, good taste and libel. If you won't make the letter short and

tasteful, the editor will. If you can't type the letter, please be sure it is handwritten legibly and clearly. Prose only, please; no poems or verse. All letters must be signed and should include a daytime phone number so we can verify authorship. Topics are entirely yours to choose. Address letters to "Letters from the people," the Anchorage Daily News, P.O. Box 14-9001 Anchorage, AK 99514-9001

Your space to write

ncy, I
ways
sider-
now
ould
gath-
l the
them
not
or to

opole

cratic ticket. The historical drug trade of the British East India Company (as one example) accrued benefits to the titled of England. Mr. LaRouche acknowledged a Jewish Holocaust on C-Span. (Stalin's Ukranian "Holocaust" via forced famine and starvation in the early '30s was an even greater atrocity but doesn't receive professional Holocaust commercialization).

I know the News has the ability to avoid political flagellation of groups and individuals (flagellation portrayed as news reporting) it doesn't care for. You can do better.

— Michael W. Nichols
Kodiak

Repeal mandatory insurance

I have always deplored the federal agricultural subsidy program that takes money out of your pocket and my pocket and puts it into the pockets of wealthy agricultural land owners. However, the big bald subsidy handed out to the insurance interests by the Alaska State Legislature by means of the Alaska Mandatory Automobile Liability Insurance Law of 1984 is beyond outrage.

At least the federal subsidy program appor- tions the amount of money taken from each of

us somewhat in accordance with our income. On the other hand the crude brutal subsidy now being enjoyed by the insurance mob indiscriminately plunders the pockets of people with low income, no income, and the unemployed.

The avariciousness of the insurance industry apparently knows no bounds. Not satisfied with the exorbitant largesse handed to them by the Alaska Mandatory Automobile Liability Insurance Law of 1984 some legislative lackey of mob has wasted no time in filing a bill (HB44) amending the law in their behalf that would tie automobile registration to payments to them, ensuring that they can make a clean sweep of all Alaska drivers. This amendment is pure gluttony.

I urge my fellows Alaskans to let each member of the legislature know that we do not wish to submit to the tyranny and outright highway robbery imposed upon us by mandatory insurance. The mandatory insurance law must be repealed.

— Marcus Sanford Bultz

ELF is no 'tax break'

In Gov. Cowper's recent State of the Budget Address, he mentioned eliminating the economic limit factor (ELF) as a means of helping

eftist
ctive
cam-
any
orga-
ious,
has

ouses
of the
ment
uthor
act

more
s full
emo-

shoi
ls se
you
ma-
nico
will
A
som
our
to
arm
bott
allo
drin
to
mar
V
free
talk
com
Wha
laug
com
edly
I tal
not
Sho

Isri
E
poli
prec
ed
Sou
expt
hom
A
heid
port
vide
nucl
odic
nucl
Tim
tists
near
It w
deto
Atla
fram
Aviv
R
mer,
edge
brigt
Mint
forc
swee
augr
wher
up
Time
moti-

ye

BT ✓

PUBLIC OPINION MESSAGE

DEAR: SENATOR FARMING

NAME: NILS HVIID
TITLE:
ADDRESS: P.O.BOX 83443
CITY: FAIRBANKS ZIP: 99708
PHONE: 479-7803
BILL NO: HB 44

SUBJECT: INSURANCE PROOF WHEN REGISTERING VEHICLES
MESSAGE: MY WIFE AND I HAVE BOTH BEEN HIT BY UNINSURED MOTORISTS DURING THE LAST SIX MONTHS AND WE ARE BOTH IN FAVOR OF THIS BILL. WE ARE IN FAVOR OF A BILL THAT WOULD FAVOR MANDATORY INSURANCE AT TIME OF REGISTRATION OR REREGISTRATION. WE WOULD LIKE TO HAVE THIS BILL PASSED BY THE SENATE AND ENACTED INTO LAW. GIVE ME A CALL IF YOU HAVE ANY QUESTIONS.

POHID: 07150343
DATE: 01/26/88
TIME: 15:03:43
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ABOOD
UEHLING
JOSEPHSON
COGHILL
FAHRENKAMP

JAN 28 1988

Yes

BT
✓

PUBLIC OPINION MESSAGE

DEAR: SENATOR FANNING

NAME: NILS HVIID
TITLE:
ADDRESS: P.O. BOX 83443
CITY: FAIRBANKS ZIP: 99708
PHONE: 479-7803

BILL NO: HB 44
SUBJECT: INSURANCE PROOF WHEN REGISTERING VEHICLES
MESSAGE: MY WIFE AND I HAVE BOTH BEEN HIT BY UNINSURED MOTORISTS DURING THE LAST SIX MONTHS AND WE ARE BOTH IN FAVOR OF THIS BILL. WE ARE IN FAVOR OF A BILL THAT WOULD FAVOR MANDATORY INSURANCE AT TIME OF REGISTRATION OR REREGISTRATION. WE WOULD LIKE TO HAVE THIS BILL PASSED BY THE SENATE AND ENACTED INTO LAW. GIVE ME A CALL IF YOU HAVE ANY QUESTIONS.

POMID: 07 50343
DATE: 01.26/88
TIME: 15:03:43
LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ABOOD
UEHLING
JOSEPHSON
COGHILL
FAHRENKAMP

JAN 28 1988