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various groups interested in the bill. The insurance industry versus the trial lawyers over no fault is a long-standing confrontation, and neither side's motives are entirely selfless.

Lost legal fees

According to the best data available, the changes mandated in this bill will cost attorneys who represent auto accident victims between \$67 million and \$90 million a year in lost legal fees — money the insurance industry says comes out of benefits that are paid to victims.

The changes would save insurance companies as much as \$166 million a year in claims that would have to be paid under the current law — costs that probably would be passed on to the consumer in coming years if the bill fails.

Enactment of the bill definitely would improve the profit picture for the state's 204 auto insurance companies, which last year paid in benefits 64 percent of the more than \$669 million they collected in bodily injury premiums.

Thornburgh calls the Pennsylvania legislation "our best effort" for reform. He concedes, however, that its economic impact "won't cut the rates for insurance" but could slow the rate of increases.

"We are trying to get back to the basic concept of no-fault," said Rep. Walter F. DeVertter (R-Mifflin), chairman of the House Insurance Committee and chief sponsor of the bill. "I don't know if this bill is perfect, but I do know that under the present system people have not received what has been promised to them."

Although sponsors of House Bill 1233 maintain it is not "an industry bill," automobile insurance companies nationwide are monitoring the Pennsylvania debate and are ready to field a team of experts and lobbyists at a moment's notice.

The Philadelphia-based Insurance Federation of Pennsylvania already has poured about \$30,000 into newspaper advertising alone, said its president, Thomas J. Foley Jr., and probably will spend much more before the bill completes its legislative journey.

The Trial Lawyers Association is not far behind. It is currently soliciting contributions of up to \$40 a month from its members for the fight, an expenditure that Philadelphia lawyer James F. Mundy de-

scribed in a June 12 letter to the association's more than 2,000 members as a "commitment (that) has become as necessary to the success of your practice as rent, stationery and secretaries."

"Certainly we have a selfish interest," said Bruce Desior of Harrisburg, president of the Trial Lawyers Association. "Nobody gets this involved in an issue and spends this kind of money on an issue if they don't have a selfish interest."

"We don't expect the public to believe us. We just hope it doesn't believe the insurance industry, either."

Money at stake

Grover Czech, vice president for the mid-Atlantic region of the Washington-based American Insurance Association, a lobbying and research organization representing 150 insurance companies, agreed that economic issues were at stake in the no-fault war.

But he insisted that the industry's state-to-state proselytizing for no-fault is serving the best interests of consumers, aimed at developing "a system that works the way it is supposed to work, that provides the best possible protection for the lowest possible costs."

Once the consumer issue of liberals and Ralph Nader-like activists in the early 1970s, when there was much talk but little action toward enactment of a federal no-fault program, no-fault in the '80s more often is a classic clash of powerful special-interest groups.

"In 1974, when the law was enacted," said Michael Browne, Pennsylvania insurance commissioner, "it was heralded as something that would do two things: One, it would provide for quick, expeditious payments of claims to people who were injured in auto accidents, and two, it would reduce the cost of automobile insurance."

"While it did the first, it certainly did not do the latter."

In the absence of no-fault, a driver bought insurance to protect himself against economic losses if he was at fault in an accident. Some states required motorists to buy liability insurance to guarantee they would be able to pay claims against them. Drivers bought additional insurance for their own injuries.

Under the no-fault concept, motorists were to be required to buy only the insurance that covered them for economic losses caused by their own injuries, no matter how the accident happened. In exchange for the automatic compensation for "out-of-pocket" losses, the insured was to give up his right to sue for those damages as well as his right to sue for noneconomic or general damages, sometimes called "pain and suffering."

No state has ever tried an absolute no-fault system in which all claims are paid automatically. Each law and each proposed law to some degree still preserves the injured party's right to sue. The laws in some states, including Pennsylvania and New Jersey, require the injured person to reach a certain "threshold" of injury — determined monetarily by actual economic losses or through some verbal description — before he can take legal action to recover damages from the person who was at fault. Other states, including Delaware and Maryland, mandate insurance for the driver, combined with no restrictions on lawsuits.

Not best or worst

Although it was once a model for the nation, the Pennsylvania law is not considered the best in the United States, according to some of the more objective advocates of no-fault. But they agree that, despite its failings, the Pennsylvania law certainly is not the worst either, primarily because of its comparatively liberal benefits for accident victims.

The Pennsylvania and New Jersey laws are two of three in the nation that provide for unlimited payment of injury-related claims. In Pennsylvania, the coverage applies to both those who have purchased the insurance required by law and — through what proponents of House Bill 1233's changes call a major flaw in the law — for those who have not.

The claims of the insured are paid

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by his own insurance company. The claims of the uninsured, however, are paid through the Philadelphia-based Assigned Claims Plan, a pool arrangement run by the state's auto insurance companies. The uninsured, according to the State Department of Transportation's current estimates, total 350,000 in the state, with 38 percent of them in the Philadelphia area.

The Pennsylvania law provides for a death benefit of \$5,000; up to \$15,000 for lost income, both for the victims or their survivors, and up to \$25 a day for a year for loss of services that victims normally would perform for themselves.

Victims or their survivors still have the right to sue a person they believe to be at fault in the accident if there are more than \$750 in actual expenses or if the accident involves death, serious injury or permanent disfigurement.

But at the same time, the state's insurance rates are some of the highest in the nation.

According to figures supplied by Allstate Insurance Co., one of the largest automobile insurance firms operating in the state, an adult male must pay an average of \$64 a year in Harrisburg for the bodily injury portions of his automobile insurance that are required by law. In Philadelphia, his premiums for bodily injury liability and basic Personal Injury Protection average \$223 a year. A male teenage driver must pay an average \$201 a year in Harrisburg and \$497 in Philadelphia.

Allstate projects those rates will increase substantially by 1985. With enactment of the legislation, the company says, the male adult's insurance premium for bodily injury coverage will jump to \$109 a year in Harrisburg and \$375 if he lives in Philadelphia. Without the changes, his insurance bill in Harrisburg will be \$123 a year for the bodily injury section and \$426 in Philadelphia.

The teenage driver faces a similar plight: \$330 a year in Harrisburg and \$1,138 in Philadelphia with enactment of House Bill 1285; \$325 in Harrisburg and \$1,338 in Philadelphia without it.

There are three major aims of House Bill 1285:

- To replace the \$750 threshold for suing with a verbal definition of the threshold. That means no one would be able to sue for pain and suffering unless the accident results in death, both "serious and permanent" injury or serious and permanent disfigurement. A compromise version, supported by some labor groups, would replace the verbal threshold with a \$5,000 to \$10,000 threshold.

- To crack down on uninsured motorists, both through penalties the bill would impose and by eliminating such motorists from benefits paid by the Assigned Claims Plan.

- To eliminate "double dipping"—people receiving payments for injuries both from their automobile insurance and some other insurance plan, such as a group hospitalization and health program.

But House Bill 1285 would bring other changes, too:

- Although it was not the original intent of the law, the Pennsylvania no-fault system provides that a survivor of an accident victim is not only entitled to a \$5,000 death benefit, but is also entitled to receive up to \$15,000 to compensate for wages the victim would have received. The bill would eliminate the wage-loss benefit for survivors and would restrict

the loss-of-services benefit of \$25 a day to only the victim. If he dies, his survivors would get nothing for loss of services.

- Under current law, insurance companies cannot make a "lump sum" settlement with a victim over \$2,500 without court approval. House Bill 1285 proposes changing that to \$40,000.

- Insurance companies now have to go to court to force an accident victim to submit to examination by insurance company physicians. The burden of proof is on the insurer to establish that there is good cause to require an examination. The bill would allow the companies to require "reasonable" examinations on their own; if the victim refuses, the burden in court would be his. The state Insurance Department says this provision would help eliminate fraud against insurance companies.

- Under current law, insurance companies are required to pay 11 percent interest on claims payments they withhold. That rule is applied, for example, to a claim that is the subject of litigation. The industry wanted the rate reduced to 6 percent, but Commissioner Browne insisted that it be lowered to 12 percent. Some consumer groups consider that still too low in view of high returns insurance companies can earn on investments, but an Insurance Department spokesman said average earnings on investments for those companies are between 6 percent and 9 percent.

The uninsured

But Hunter said the absence of strong language, coupled with the provision to reduce the interest insurers must pay on withheld claims, is particularly troublesome. "You can make 17 percent interest in a money market fund," he said. "Insurance companies could net 5 percent by simply saying, 'Hey, I'm not going to pay. Sue me,' even if they are forced to pay later."

"The only thing insurance companies understand is money," Hunter added. "If you can't hit them in the pocketbook, you can't make them toe the mark."

Jeffrey O'Connell, a University of Virginia law professor who is one of the country's foremost advocates of no-fault, says that uninsured motorists should not receive benefits they did not pay for, but he suggested that the law still should permit them to sue to recover damages if they are not at fault. He contended that those who are willfully uninsured "are usually quite poor" and cannot afford to buy the mandatory coverage, a contention supported by a recent PennDOT survey.

That is also a concern of Pennsylvania Rep. Stephen Levin (D., Philadelphia), who is the author of an amendment to House Bill 1285 that he wants to use as a vehicle to repeal the no-fault law entirely.

"You can have the working poor—a man who earns less than \$10,000 a year—driving a \$1,000 car buying

\$1,500 worth of insurance," he said. "If you take something away from somebody, you've got to give him something in return."

Otis W. Littleton, chief counsel to the House Insurance Committee and principal draftsman of House Bill 1285, argued that, "under existing law or under the proposed law, we do not limit the right to sue for actual economic losses, even if the person is willfully uninsured." However, for that person to sue for pain and suffering, he would "have to meet the same threshold as any other driver." If he is in a single-car accident or some other accident in which no one was really at fault, he would be out of luck, Littleton conceded.

The insurance industry would like to see Pennsylvania adopt a provision, similar to one in Florida, that would crack down on those engaged in the filing of fraudulent claims, a program the state Insurance Department says it is not willing to take on.

The trial lawyers are interested in adding another provision from Florida—a regulation defining and prohibiting excessive insurance industry profits, a provision the lawyers association contends has resulted in refunds of more than \$100 million to Florida policyholders. The Insurance Department says that is covered by rate review provisions in House Bill 1285.

Finally, Bob Hunter, president of the Virginia-based National Insurance Consumer Organization, said any no-fault insurance program should carry "good and open and punitive damage language to make sure the insurance companies toe the mark and pay what they are supposed to pay." The insurance Department says all that is taken care of in another law, the Unfair Claims Practices Act.

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Consumer Affairs

(Harrisburg, Penn.) Patriot, March 11, 1979

'No-Fault' Insurance Law Facing Major Surgery

By CARMEN BRUTTO
Staff Writer

The state's five-year-old no-fault auto insurance law faces major surgery to make it tougher on uninsured motorists who have been beneficiaries of defects in the current law.

The state's mandatory auto insurance law is apparently being ignored by hundreds of thousands of motorists who nonetheless benefit from a provision that insured drivers pick up the medical bills and lost wages of uninsured persons injured in traffic accidents.

The original intent of the 1974 law was to protect pedestrians and passengers under an assigned claims provision, but the effect of the law's language was to extend the same

protection to thousands of drivers who hold no insurance.

Changes in the law are being proposed in a package of bills drafted by Reps. Russell Kowalyszyn, D-Northampton, former chairman of the House Insurance Committee, and Ivan Ilikin, D-Pittsburgh.

Three of the four bills in the package were introduced last week. The fourth, to eliminate an uninsured motorist's coverage for injury and lost wages compensation is being circulated among House members for additional sponsors.

"It seems to me that a person who drives in the state without insurance, which is in violation of the law, should not be allowed to collect any of the benefits provided by the law, especially since he has

not paid any premiums to provide such benefits," Ilikin said. "I intend to correct this glaring error in the law."

The assigned claims plan covering uninsured persons is an insurance industry pooling mechanism that distributes claim payments to vehicle passengers or pedestrians who are accident victims and not otherwise insured.

"One of the sad ironies of the no-fault law is that those who ignore it by failing to obtain insurance are protected anyway, and the cost of that protection is paid by those who are legally insured," Kowalyszyn said.

According to Kowalyszyn, more than half the assigned claims paid last year by insurance companies

went to uninsured motorists. He said it is likely this has been the pattern for several years.

In addition to the actual payouts, the industry sets aside even larger amounts in "reserve" for future payments, resulting in millions of dollars of inflated premiums paid by the insured motorist, he said.

A provision in a bill passed last year would have corrected the inequity, but it was vetoed by Gov. Milton Shapp who objected to other aspects of the bill.

To avoid a recurrence of that situation, the uninsured motorist issue is being handled in a bill separate from the others.

A second no-fault-related bill by Kowalyszyn gives local constables the power to enforce the law and

remove a suspended vehicle's registration and license plate from the vehicle owner.

Current law requires PennDOT employees or State Police to perform this function. Kowalyszyn wants the uninsured motorist to bear the cost rather than the general public.

Kowalyszyn also wants motorists to pay a \$25 fee to re-register a vehicle after the original registration was suspended for failure to carry insurance. He said there are several hundred thousand vehicles in this category, and the revenues from the proposed fee would provide funds to make the enforcement system self-sustaining.

Kowalyszyn is also pressing Gov. Dick Thornburgh, Insurance

Commissioner Harvey Bartle and PennDOT Secretary Thomas Larson to revise the current method of spot-checking for uninsured motorists.

PennDOT now uses a three percent random sample of the state's six million motor vehicle registrations to uncover those who might be uninsured.

Kowalyszyn wants PennDOT to zero in on the half million notices it receives annually from insurance companies reporting the names of drivers who have dropped their insurance.

Although many of these people have sold their vehicles or have taken coverage with another company, he said the reports will also prove useful in tracking down illegal drivers.

Consumer Affairs

Philadelphia (Penn.) Inquirer, May 20, 1982

No-fault votes a start on long road to reform

By David Morrison
Inquirer Staff Writer

HARRISBURG — A proposal to revamp the Pennsylvania no-fault automobile insurance system will come to a vote in the House Judiciary Committee on June 8, an action that could kick off a long, hot summer of debate on the controversial measure.

Rep. Warren H. Spencer (R., Tioga), chairman of the committee, said the action should clear the way for a final House vote on the no-fault measure before the legislature's long recess, scheduled to begin June 30.

But that is actually the first of many hurdles before the legislation. Some members of the Senate have said they will attempt to put through a drastic overhaul of the state's automobile insurance laws if the no-fault bill comes within their grasp. Such action would mean that a final version of the reform proposal would come only at the end of a protracted fight in a House-Senate conference committee.

Meanwhile, Pennsylvania Insurance Commissioner Michael L. Brown has scheduled four public hearings late this month and in June on proposed rate increases that could cost Pennsylvania motorists about \$184 million a year in added insurance premiums, a prospect that could liven any of the imminent no-fault debates.

Spencer's committee normally does not handle insurance-related bills. It was forced to accept the no-fault measure late last year after the bill was approved by the House Insurance Committee but failed to win enough votes to pass the House.

Strong support

The no-fault bill has hefty support from the insurance industry and Gov. Thornburgh. But it still faces opposition from a powerful lobby: the Pennsylvania Trial Lawyers Association.

The bill was brought to the floor of the House after carefully orchestrated committee work that kept legislative tinkering at a minimum. More than 100 floor amendments were proposed, many of which were designed to gut the no-fault system in Pennsylvania. On Nov. 16 the House voted 118-60 to send the bill to Judiciary for public hearings.

"Hopefully we won't have 100 amendments offered when we get this out on the floor," said Spencer, who was the only member of his lawyer-dominated committee to vote against reassigning the no-fault bill to Judiciary. "We're trying to get a bill the insurance companies can live with; one that the trial lawyers can live with, and, most important, one that will benefit the consumer."

Spencer, who conducted four hearings around the state on the bill, said members of his committee could still offer amendments to a version of the bill that's being drafted by the committee staff. But barring an unforeseen rebellion in the ranks, he said, the Judiciary version of the bill would be surprisingly similar to the measure approved by the insurance committee.

Part of package

No-fault, personal-injury protection, is only a part of the average automobile insurance policy and is required coverage in Pennsylvania. It's that portion of the policy that allows an insured motorist who is injured in an accident to be compensated for actual costs of hospitalization and medical expenses by his own insurance company, no matter who was at fault in the accident.

In a pure no-fault system, that would be all the insurance that a person should have. It would be economical because, ostensibly, settlement of claims would not require any kind of litigation, thus eliminating court costs and legal fees from the auto insurance system. There would be no need for a person to buy liability insurance.

Pennsylvania's auto insurance law, sculptured in 1974 by consumer and powerful lobbying groups, blends no-fault insurance with the old liability system. It's a prime example of lawmakers wanting desperately to try something popular and something new, but not wanting it desperately enough to abandon the past.

A Pennsylvania motorist is required to carry a brand of no-fault that pays unlimited amounts for his medical care if he's injured. Yet, if his medical bills exceed \$750, he still can file a lawsuit seeking compensation for other damages, such as loss

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of a promising athletic career or ample inconvenience and discomfort caused by an accident.

Liability Insurance

Consequently, a Pennsylvania motorist also is required to buy liability insurance, which pays for damages to others should he be judged at fault. That represents about 25 percent of the cost of the average insurance policy.

The reform proposal, sponsored by Rep. Walter F. DeVerter (R., Mifflin), would prohibit lawsuits for "pain and suffering" in all cases, except those that involve death or "serious and permanent" disfigurement or injury. It also would eliminate a loophole in the state law that allows an injured person to collect payments from both auto and hospitalization insurance policies for one accident.

Those two provisions and some other fine-tuning in the reform bill, DeVerter said, would save the insurance industry more than \$150 million a year — savings that should be passed on to the consumer.

As a means of springing the bill from the Judiciary Committee, Browne advocated an amendment earlier this year calling for an overall 8.9 percent rollback in all insurance coverages required by law. But as a condition for endorsing that amendment, Browne told the Judiciary Committee that it would have to leave DeVerter's bill substantially intact.

Spencer said he expected that many members of the committee would want to include Browne's amendment no matter what form the bill took.

There's one indication that the insurance industry senses that a no-fault reform bill with a premium-rollback provision has a chance of being enacted this summer. And it's reminiscent of what happened when the state's no-fault law was originally passed with its provision for a rollback.

Increased rates

Before the effective date of the no-fault law, insurance companies were allowed to increase rates substantially so that policyholders never really received any benefit from the rollback. Many insurance companies in the state this year are seeking increases, all of them having received substantial rate hikes less than a year ago.

Browne has scheduled a public hearing May 27 for a 25.5-percent, \$31-million rate increase request for the Assigned Risk Plan, the state pool that insures high-risk motorists. A 19.4 percent increase for the group went into effect in November.

On June 2 he'll hold a hearing on the 18-percent, \$121-million sought by Prudential Property and Casualty Insurance Co., which got a 7.7-percent increase in September.

There's a June 16 hearing on the 10.2-percent, \$42-million increase requested by Insurance Services Office, a group representing smaller companies. It got its last increase, 11.8 percent, in October.

On June 17 there's a hearing on the request for the largest auto insurer in Pennsylvania, State Farm Mutual Insurance Co., which is seeking a 15.3-percent, \$41.9-million increase, although it received a 6.8 percent increase in September.

Browne also is considering an 8.5-percent, \$3.1-million increase for Liberty Mutual Insurance Co., which implemented an 8.2 percent increase in August, and a 13.2-percent, \$4.8-million increase for Travelers Indemnity Co., which had a 9.3-percent increase in September.

Bracing for a rollback

Although state Insurance Department officials would not speculate on whether the companies were bracing for a rollback, one source did indicate that rate requests usually are filed annually.

"They are," the source said, "filing a bit early this year."

Spencer would not predict in an interview this week what amendments members of his committee would offer or support when the committee starts its final work on the bill June 8.

He indicated some pork-barraling provisions put in by the insurance industry — such as a proposal to reduce the interest on delayed claims payments from 14 percent to 12 percent — will be deleted. But the

thrust of the measure will be to reduce the number of automobile accident-related lawsuits.

Sen. Henry G. Hager (R., Lycoming), the president pro tem, said last week that he will advocate a system similar to one in use in Delaware — the favorite system of the Pennsylvania Trial Lawyers Association — if the no-fault bill comes his way. Delaware has no restrictions of lawsuits for pain and suffering. However, an accident victim seeking compensation for something other than medical expenses, cannot use the amount he collected from his no-fault insurance coverage for medical expenses as evidence to bolster his lawsuit.

"I know there is a lot of support for the Delaware plan because it's anti-insurance industry," Spencer said. "But it's just too liberal to get past all members of the House."

Sen. Paul McKinney (D., Phila.) is taking a different tack. He says he'll introduce legislation when the Senate reconvenes Monday to dismantle the no-fault system entirely.

Consumer Affairs

Philadelphia (Penn.) Inquirer, November 16, 1981

States now steering clear of no-fault plans

By David Morrison
Inquirer Staff Writer

HARRISBURG — Prospects of federal legislation mandating minimum standards for automobile insurance motivated 23 states to enact some form of no-fault by 1976. But as federal momentum slowed, so did that in the states, and in the last five years, none of the remaining states has taken action toward a no-fault law.

One state, Nevada, repealed its statute after only a few years.

The concept's uneven political history perhaps can be traced to the fact that no state has adopted a pure no-fault law. Each state has permitted lawsuits at some stage where the injured may claim that another party is to blame.

"As a practical matter, nobody ... wants to be the first to try something that may be a total failure," said Gov. Thornburgh, who is supporting legislation that would bring Pennsylvan-

ia's auto insurance laws closer to a pure no-fault concept. "Politically, people have a legitimate interest. Trial lawyers have a legitimate concern that their clients ought to have recompense for their injuries from the people who actually caused them."

Aiding the attorneys who attack no-fault is the system's failure to reduce auto insurance premiums, as promised. But proponents say it is the economy, not the concept, that has kept premiums rising.

A 1977 study by the U.S. Transportation Department weighed all the problems of various no-fault systems, then concluded, "No-fault automobile insurance works."

"No problem has arisen in the implementation of no-fault for which there does not appear to be a readily available and feasible solution, given the political will to make the necessary change," the federal study said.

In Michigan, for example, bodily injury liability claims have declined from 25.3 per 1,000 insured cars in 1972, the year before no-fault was enacted there, to 2.7 in 1978. In addition, Michigan places a verbal threshold on the right sue, keeping down the number of court cases.

Michigan also offers what generally are regarded as the most liberal benefits, closer to the ideal of the no-fault law. And still the premiums there have not been out of line with the other increases in the Consumer Price Index, the state's insurance department reports.

Consumer Affairs

(Newark, N.J.) Star-Ledger, March 11, 1979

MV flagging drivers of uninsured vehicles

By ALAN FRIEDMAN

More and more drivers are walking these days because they are ignoring New Jersey's compulsory insurance law and getting caught by the Division of Motor Vehicles (MV).

"There's no getting away from the fact that as insurance costs go up, some people are dropping their coverage," pointed out Seymour Blaustein, assistant MV director. "But I think we've got good verification procedures that catch a lot of people without insurance."

Blaustein said that during 1978, the division revoked the licenses of 66,946 motorists due to insurance-related problems, an increase of about 5,000 over the previous year.

The majority of cases, 35,963, involved drivers whose insurance had been cancelled, primarily for lack of payment. Another 11,915 licenses were revoked because drivers involved in accidents had no insurance.

MV Director John Waddington estimated that between 4.5 and 5 per cent of the motorists involved in the 300,000 accidents reported yearly are uninsured.

"That's a pretty big sample," noted Waddington. That figure translates to about 230,000 uninsured drivers when related to the state's total driving population of 4.7 million.

Blaustein, however, admitted that no state can come up with an exact count of uninsured drivers. New Jersey has had its compulsory insurance law since 1973.

The state gets most of its information about uninsured motorists from accident and police reports and from insurance companies. Insurance firms are re-

quired to notify the MV when car insurance policies are canceled.

Motorists are also required to show insurance identification cards during the annual safety inspection of their automobiles.

Waddington said the MV follows up on "7 couple hundred thousand" notices a year that coverage has been ended by a driver.

"Some people have just moved out of the state. We send out a notice asking what happened," Waddington said. "If we don't get any answer, we send out a second notice. If there's no answer to the second notice, we revoke the license."

Prior to the mandatory insurance law of 1973, motorists could drive without insurance if they paid a \$50 fee to the state. Blaustein said between 86 and 88 per cent of the drivers involved in accidents before 1973 were insured.

Since 1973, he said, that figure has hovered around the 95 per cent mark, going as high as 96.3 per cent in 1976. Last year it was 94.9 per cent.

The 66,946 MV license revocations for insurance causes last year comprise the largest bulk of the department's annual total of 200,000 suspensions.

A spokesman for the state Department of Insurance said New Jersey auto coverage rates are up this year about 11 per cent over 1978.

"The minimum one-car coverage would be about \$370 a year," he said, adding that for families with two cars but no young drivers, the minimum would be about \$500 total.

"A family with a 17-year-old driver could pay four times the one-car rate," he added. He also noted that drivers in urban areas could pay upward of \$750. Some city rates run into the \$1,000 range, although the Insurance Department official said that was "just an approximation."

While the state bases its estimate of uninsured drivers on the sample involving about 300,000 accident reports yearly, officials of the insurance industry have contended the number of uninsured drivers exceeds a half million.

Insurance officials say some motorists buy insurance and pay the initial 40 per cent, but don't come up with the rest of the money during the 30-day period provided for full payment.

Members of the industry maintain that those drivers still get insurance identification cards for their initial outlay, which they can show to police in the event they are stopped for a traffic violation.

Consumer Affairs

(Newark, N.J.) Star-Ledger, June 16, 1978

Governor accuses auto insurers of intimidation and deception

By VINCENT R. ZARATE

Gov. Brendan Byrne yesterday charged the car insurance industry is intimidating the Legislature, misleading the public and threatening higher rates in its effort to kill his automobile insurance reform package.

Byrne, in the midst of his toughest fight since the income tax battles of 1976, charged the insurance companies' criticisms of his plan are "patently untrue."

Administration sources admitted the Governor's tough worded attack shows how severe the fight is between the multimillion dollar insurance industry and the administration on how best to solve the mounting auto insurance crisis in the state.

Byrne wants the Assembly to vote on his package before it recesses for the summer -- either next Thursday or Monday, June 26.

The governor issued the statement to prod the seven member Assembly Banking and Insurance Committee to release the bills after its hearings. The committee, still undecided on how to vote, meets again Monday in the State House in Trenton.

Byrne pulled no punches charging the industry with a "high pressure campaign based upon threats and misstatements of fact."

At issue is whether the administration can get laws to replace the assigned risk pool, establish a new surcharge system for errant drivers and, most important, force every auto insurance company to write a policy to any person asking for it.

The industry has sent its top officials to New Jersey to kill the package, warning it would lead to higher rates

and force companies to leave New Jersey and no longer write auto insurance.

Byrne said of the insurance industry's position:

"In their statements before the Assembly committee, the insurance companies have again rattled the saber of withdrawal from the state. They hope to intimidate the Legislature into bending to their wishes. I am confident that the Legislature will not do so."

He said the allegation by industry representatives that his plan would lead to higher rates "is patently untrue."

Byrne said one of his bills (A-1120) would require problem drivers to pay more for their insurance. He said the other bill (A-121) would create a reinsurance facility and allow the state insurance commissioner to establish a separate rate for drivers "with demonstrably bad driving records."

Byrne said the measures are aimed at eliminating the Assigned Risk Plan, which "claims one million drivers, 750,000 of whom have clean records, and would also eliminate present industry discrepancies in the way companies distinguish between good and bad drivers."

The major problem in New Jersey is that few persons can get automobile insurance on the open market and, instead, are dumped into the assigned risk pool.

The pool has increased from 338,353 motorists three and one half years ago to one million today, and those in assigned risks are subjected to surcharges starting at 60 per cent of their base rate for errant driving.

He charged the present system represents "for the companies . . . a game of semantics."

SECTION ANALYSIS -- MANDATORY AUTO LIABILITY INSURANCE
CSSSB 7 (LSC)

Section 1 Declaration of Purpose. Expresses goal of legislation that motorists be financially responsible for their actions due to rising toll of accidents. The legislature declares that the public interest can best be served by the requirement to show proof of liability insurance prior to registration.

Section 2 adds mobile homes as defined by statute to vehicles exempt from registration.

Section 3 Amends 28.10.011 by adding a new section under REGISTRATION which specifies an owner may not register or renew registration of a vehicle without providing proof of liability insurance as required in statute.

Section 4 Amends APPLICATION FOR REGISTRATION statute by specifying that certificate of registration may not be issued until the criteria set out in Section 3 above is met.

Section 5 Amends 28.10.111 (RENEWAL OF REGISTRATION) by adding a new section specifying that current registration may not be renewed until adequate proof of financial responsibility is shown as required in statute.

Section 6 Allows DMV to issue title to certain vehicles exempt from registration.

- a) vehicles exempt under Soldier and Sailor's Civil Relief Act (current exemption)
- b) special mobile equipment (new)
- c) vehicles driven or parked on private property (new)
- d) vehicles driven or moved on highway or vehicular way which is not connected to state highway system (new)
- e) mobile homes as defined by statute (new)

Section 7 Requires proof of sufficient liability insurance on vehicles OWNED by driver before driver's license can be issued or renewed for both residents and non-residents. If driver did not OWN vehicles at time of license renewal, no proof would have to be shown. A person who owns a vehicle that is registered out of state must show proof of insurance prior to obtaining an Alaska license.

Section 8 Mandates suspension of license when advised that insurance has been cancelled and there is no response by license holder within 30 days of notice to suspend sent by department.

Section 9 Amends law to require knowledge of the effects of alcohol and drugs on driving and knowledge of laws relating to financial responsibility when taking test for driver's license.

Sections 10- Amends current financial responsibility law
13 to increase liability limits to current rates as
established for insurance policies under AS.
28.22.010 These are increasing limits from
25/50/10 to 100/300/50 thousand.

Section 14 adds requirement of offering underinsured
motorist coverage for insurance policies written
in state for both personal injury and property
damage.

Section 15 adds new sections (l) and (m) to current
definition of insurance policy. These are the
same items as contained in the proposed
definition under AS 28.22.010 (sec.17)

Section 16 Amends current law to increase amount of money
or securities required as proof of insurance to
a rate in line with policy requirements ...
\$100,000

Section 17 ADDS NEW CHAPTER 22 TO TITLE 28..Motor Vehicle
Liability Insurance

This is virtually identical language to that now in statute
28.20.440.

CHANGES TO CURRENT LAW OR ADDITIONS:

28.22.010

(b) 2 A/B- increases minimum limits for insurance to be
contained in policy. (These are the same limits that were
amended in the previous 5 sections)

Bodily injury to or death of one person in any one accident
CURRENTLY \$25,000 PROPOSED \$100,000

Bodily injury to or death of two or more persons in any 1
accident
CURRENTLY \$50,000 PROPOSED \$300,000

Injury to or destruction of property of others in any one
accident
CURRENTLY \$10,000 PROPOSED \$50,000

These are limits contained in most standard policies currently
issued. These are also limits generally imposed by banks for
insurance requirements to buy a car.

(3) Requires offering of underinsured motorist coverage in
addition to uninsured coverage. Coverage will also relate to
property damage. Current law only requires offering of uninsured
coverage for bodily injury or death. But this may be waived in
writing.

(l) Requires insurance carrier to notify DMV when a policy is cancelled within the first 180 days that a policy is in effect and within 10 days of knowledge of termination or intent to terminate. If a person whose coverage terminates fails to provide DMV with satisfactory evidence of insurance, DMV will suspend the driver's license and all registration certificates and plates issued to owner of vehicle until proof of insurance is given.

(m) Requires insurance carriers to provide the insured with a card indicating existence of satisfactory policy. This card must be carried in vehicle at all times.

28.22.020

To be considered effective, policies must be issued by insurance companies authorized to do business in state and meet financial limits imposed by statute. Allows for exception if power of attorney is executed.

28.22.500 PENALTIES

Penalties are imposed for driving or knowingly permitting to be driven a vehicle required to be insured unless the vehicle and driver are covered by an adequate insurance policy. This section describes penalties for violation of that law. See attached sheet.

SEC. 28.20.510 sets out provisions relating to impoundment.

Allows for impoundment or release to person with right to possess a vehicle if a peace officer has cause to believe vehicle was driven without proper insurance. If released, the owner or person with right to possess must pay costs of impounding and storing.

Impoundment is until proof of insurance is shown if driver has not been previously convicted of similar offense or for 30-90 days if person has been previously convicted of similar violation within 10 years.

Upon impoundment, a hearing will be provided at the time of impoundment to the person with the right to possess the vehicle, the driver, other persons with an ownership interest. Following a hearing, the vehicle will be released to owner or person with right to possess if it is determined impoundment was improper or that at the time of impoundment the vehicle was being driven

by a person other than the owner or person with right to possess the vehicle AND

without the consent of the owner or person with right to possess the vehicle.

Vehicle will also be released if

the driver is not charged within 10 days of impoundment of an offense related to the impoundment OR any related charges are dropped or dismissed OR the driver is acquitted of any related offenses.

If the vehicle is not released after impoundment hearing, a lienholder may reposses the vehicle for sale and impoundment costs are to be paid by sale proceeds.

28.22.500/28.22.530 FORFEITURES

These provisions apply when forfeiture is called which happens following 3rd conviction within 10 years of driving without proper insurance.

Court will require surrender of registration and title. If not released, the department may dispose of the vehicle as governed by statutes.

Upon order to forfeit, the court will provide notification of intent to require forfeiture to all who have an ownership interest in vehicle. This will allow for any interested party to ask for remission of interest in the vehicle. Court will hold hearing if request for remission of interest is made and such interest will be remitted if

the petitioner has an interest in the vehicle acquired in good faith AND

a person other than the petitioner was convicted of the offense which resulted in forfeiture AND

before parting with the motor vehicle, the petitioner didn't know or have reasonable cause to believe it would be used in the commission of an offense.

This protects the vehicle dealer or, for example, the owner of a car taken without permission or stolen.

If remission of interest is granted it may be either in the form of reimbursement for interest or repossession of the vehicle and title.

28.22.540 UNUSED MOTOR VEHICLES

This provision allows a person to terminate or suspend insurance policy without penalty by removing plates from vehicle and delivering them to DMV. When vehicle is to be used, driver must present proof of insurance to DMV and plates will be returned.

Requires annual report beginning in February 1986 which is to assess impact of law with regard to effect on number of uninsured motorists, insurance rates and cost to administer law.

SECTION 18 Amends insurance code to require that insurance policies sold in state meet requirements of liability policy described in this chapter. Since the bill would not become law until July 1, 1984, this would allow insurance companies to prepare to meet this requirement.

SECTION 19 Amends insurance code to mandate that companies must offer uninsured and underinsured coverage for personal injury and liability in at least the amounts voluntarily purchased by the customer. This coverage may be waived by the insured.

SECTION 20 Delays one provision of not issuing or renewing drivers license unless insurance is proven until 1/1/85. This allows DMV time to upgrade computer to provide for cross referencing licenses and owned cars.

SECTION 21 Effective date of act is 7/1/84.

PENALTIES UNDER AS 28.22.5000

A person may not drive or move nor may an owner knowingly permit to be driven or moved on a highway or vehicular way or area a vehicle required to be insured under a motor vehicle liability policy that complies with AS 28.22.010 unless a motor vehicle liability policy is in effect for the motor vehicle.

If stopped and a peace officer has reason to believe a person is driving without insurance, a citation for \$250 will be given. The driver will then have 5 days to show the court that insurance was in effect at the time of the citation. If proof is shown, charges and fine will be dropped. OTHERWISE....

Violation of the law is a Class B misdemeanor.

Court will impose a minimum fine of \$250 and maximum of \$1000. Minimum fine may not be suspended. Court may also impose jail term of up to 90 days which may be suspended if fine is paid.

ADDITIONALLY THE COURT WILL IMPOSE THE FOLLOWING SANCTIONS:

1st Offense	SUSPENSION OF LICENSE FOR <u>UP TO 30 DAYS</u> SUSPENSION OF REGISTRATION <u>UNTIL PROOF OF INSURANCE SHOWN</u>
2nd Offense within 10 years	SUSPENSION OF LICENSE WITHOUT LIMITED DRIVING PRIVILEGES FOR MINIMUM OF <u>30 DAYS/MAXIMUM OF 90 DAYS</u> SUSPENSION OF REGISTRATION AND IMPOUNDMENT OF VEHICLE FOR <u>90 DAYS</u> <u>OR LONGER UNTIL PROOF OF INSURANCE IS SHOWN.</u> ALLOWS FOR JUDICIAL HEARING BEFORE ANY IMPOUNDMENT TAKES PLACE. SUCH A HEARING INCLUDES ANY PERSON NAMED ON TITLE OR WHO MAY HAVE A LIEN INTEREST.
3rd Offense 10 years	SUSPENSION OF LICENSE WITHOUT LIMITED DRIVING PRIVILEGES FOR within <u>MINIMUM OF 90 DAYS TO MAXIMUM OF ONE YEAR.</u> FORFEITURE OF VEHICLE UNDER AS 28.22.520

Alaska State Legislature



Speaker of the House of Representatives

Official Business

Pouch V
State Capitol
Juneau, Alaska 99801
(907) 465-3720

LABOR AND COMMERCE SUBSTITUTE HB 7

Changes from SS:HB 7

The changes made by the Labor and Commerce Committee changed language and sections 18 and 19 to require insurance companies to offer uninsured and underinsured coverage for both property damage and personal injury. This coverage may be waived upon signature of the insured. This coverage must be available in at least equal amounts to the coverage bought voluntarily under the regular liability coverage.

The language was changed both in Title 21 and the proposed rewrite of Title 28 as this bill proposes.

No other amendments were offered in committee.

State Farm Insurance Companies

ONE STATE FARM PLAZA
BLOOMINGTON, ILLINOIS 61701

JOHN J. GORDON
ASSISTANT GENERAL COUNSEL
(309) 862-8027

April 12, 1983

APR 14 10 18 AM '83

ALASKA
COMMERCIAL
DEVELOPMENT

LAW DEPARTMENT

Mr. Don Koch
Chief Market Surveillance
Division of Insurance
State of Alaska
Pouch "D"
Juneau, AK 99811

Re: Alaska - SB-223; HB-7

Dear Mr. Koch:

These bills are causing us at State Farm serious concern. In scrutinizing the Declaration of Purpose, as stated in the bills, it would appear that if the legislature is serious in attempting to decrease the non-insured driving population, the drastic increase in liability and property damage limits, would go far not in decreasing the number of uninsured drivers, but rather increase that population. Some drivers would be unable to meet the premium payments and would find ways to continue driving without coverage. No state has minimum liability limits approaching the proposed amount. Attached are the actuarial figures on the resulting costs if these bills were to succeed. In addition to these increased premium costs, there would be the intangible but real cost increases in claim payments. These increased payments would eventually be reflected in additional premium increases.

These bills also require an insurer to notify the motor vehicle department of any terminations or intentions to terminate within a ten day period. The language is unclear if the ten day period begins before or after a termination or intent to terminate. Notice requirements have been mandated in other states and it has been found that the costs to the motor vehicle departments, as well as the insurers, have not been justified as a means of decreasing the uninsured population. Such requirements would only succeed in increased costs.

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

STATE FARM LIFE INSURANCE COMPANY

STATE FARM FIRE AND CASUALTY COMPANY

Mr. Don Koch
April 12, 1983
Page Two

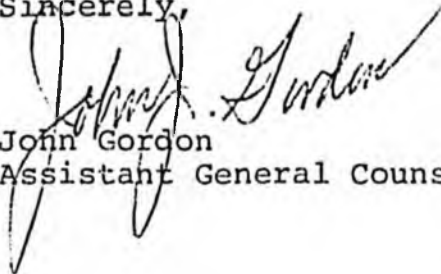
Also of grave concern is the ambiguous language in the new Chapter 22 that could be interpreted to mean that all policies, i.e., an owner's policy, an operator's policy, and motor vehicle liability policy, be treated as a certified motor liability policy with absolute liability after a loss has occurred.

This bill as written could severely damage the now competitive and healthy marketplace for automobile insurance in Alaska.

Enclosed also is a publication we have used for informational purposes in other states when the compulsory issue has arisen.

In my conversation Friday, April 8, with Director Moore, it was suggested that we write to you and provide our comments. Hopefully they can be of some use in defeating these bills. We certainly appreciate your help.

Sincerely,



John Gordon
Assistant General Counsel

jl
Enc.
cc Michael Thomas (w. enc.)

ALASKA

APR 14 11 15 AM '03

COMMISSIONER OF INSURANCE
DEVELOPMENT

- A. Average State Farm Mutual policy premium changes from 25/50/10 BIPD liability and 25/50 UM coverage to 100/300/50 and 100/300 UM

	<u>Current Semi-Annual Premium</u>	<u>Semi-Annual Premium Increase</u>	<u>Percentage Increase</u>
BIPD	\$ 64.90	+ 17.10	26.3%
UM Coverage	8.00	+ 3.80	47.5%
Both BIPD & UM	72.90	+ 20.90	28.7%

- B. Example #1: An adult driver, pleasure use, in Anchorage who currently carries 25/50/10 BIPD and 25/50 UM to required limits

	<u>Current Semi-Annual Premium</u>	<u>Semi-Annual Increase in Premium</u>	<u>Percentage Increase</u>
BIPD	\$ 56.43	+ \$ 14.82	+ 26.3%
UM	8.00	+ \$ 3.80	+ 47.5%
Both	64.43	+ \$ 18.62	+ 28.9%

- Example #2: 18-year old single male principal operator, pleasure use, Anchorage; currently with 25/50/10 BIPD and 25/50 UM to required limits

	<u>Current Semi-Annual Premium</u>	<u>Semi-Annual Increase in Premium</u>	<u>Percentage Increase</u>
BIPD	\$255.42	+ \$ 67.08	+ 26.3%
UM	8.00	+ 3.80	+ 47.5%
Both	263.42	+ 70.88	+ 26.9%

Alaska State Legislature



Speaker of the House of Representatives

Official Business

Pruch V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

CSHB 7 (Judiciary) Effect of Amendments

The proposed Judiciary committee substitute makes the following changes:

Clarifies that the provisions of this law relate to 'motor' vehicles as defined in the statutes.

Includes a certificate of self insurance as one means of proving financial responsibility. This is typically used by commercial companies to insure a fleet of vehicles. The certificate is defined by AS 28.20.400.

Clarifies that a person seeking a license must only show proof of insurance only on vehicles which are both registered in that persons name and owned by the person which must be located within the state.

Changes the proposed liability limit increases from 100/300/50 to 50/100/25. Currently the limits in law are 25/50/10.

Adopts the language suggested by the Court system relating to issuance of a citation by a peace officer.

Deletes provisions which allowed a peace officer to impound a vehicle on the spot if he had cause to believe an insurance policy was not in effect.

Changes the responsibility for notifying parties in a forfeiture incident from the "court" to the Department of Law as suggested by the Court System.

Changes the date for submission of the first annual report from February 1986 to 1988 and changes report from Dept. of Commerce and Economic Development to a JOINT report with Department of Public Safety.

Adds new effective date of January 1, 1984 for the provisions which mandate that insurance companies offer uninsured and underinsured insurance. These sections would now take effect before any other provision in the law.

OF COUNSEL
M. E. MONAGLE

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

R. E. ROBERTSON (1885-1981)
F. O. EASTAUGH
J. B. BRADLEY
WILLIAM G. FJDDY
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*Judiciary
Referral*

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April 22, 1983



ANCHORAGE OFFICE

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PHONE (907) 277-6693
CABLE: ROMEA
TELEX: 090-26-486

The Honorable Charlie Bussell
Alaska State Legislature
Capitol Building, Rm. 126
Juneau, Alaska 99801

Re: HB 7

Dear Representative Bussell:

Mike Thomas and I would like to be informed, preferably a few days in advance, of any hearings on HB 7 so that we may have an opportunity to testify.

Thank you for your assistance.

Sincerely,

Steve Silver

Steve Silver

SWS/ke
cc: Mike Thomas

MAR 14 1983

March 9, 1983

Representative Joe L. Hayes
Pouch V
Juneau, Alaska 99811

Dear Representative Hayes:

I am writing this letter in pain, outrage and total disgust. I have painfully become aware of the completely inadequate and antiquated driving laws of this state as a result of my son Sean's death at the hands of an irresponsible, uninsured driver who was drinking, speeding, ran a red light and God only knows what else. This driver can afford alcohol and drugs (they were found in his car) but he cannot afford insurance!

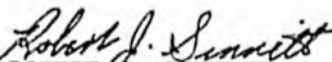
The law concerning the requirement to have auto insurance, better known as "the State gives you a free one" is at best a farce. Having lived here 44 years and watching the traffic increase to the point beyond the capacity of our road system, coupled with the irresponsible attitude of the outsiders coming in and the young people growing up, dictates that the law be tightened.

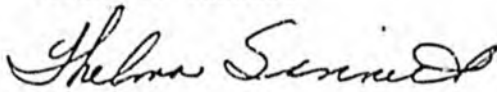
It is imperative that mandatory auto insurance be required of those wishing to drive in the State of Alaska. When auto licenses are renewed or bought, or with registration and/or titles, proof of insurance at that time should be shown. Upon cancellation of insurance, then licenses revoked. In short No Insurance - No License!

Sean was not allowed to own a car or drive without insurance which he bought and paid for himself and he took that responsibility with him into his young adulthood and was subsequently killed by a person who apparently did not care or have any regard about others.

The time is long past due for all Alaskans new or old to accept the responsibilities attached to owning and driving an automobile and the necessary steps to accomplish this rests squarely on your shoulders.

Sincerely,


ROBERT J. SINNETT



THELMA SINNETT
2001 Salem Court
Anchorage, Alaska 99504

Judiciary
Referral

Joe M. Huddleston
509 West Third Avenue
Anchorage, Alaska 99501

April 19, 1983

The Honorable Charlie Bussell
Pouch "V"
Juneau, Alaska 99811



Dear Charlie:

I have just learned through Representatives Ringstad and Pestinger that House Bill No. 7 on compulsory insurance has been transferred from Labor and Commerce to the House Judiciary committee for hearing. I would appreciate your earliest communication as to when this matter will be scheduled for public hearing. I am desirous of travelling to Juneau to speak on this legislation.

Sincerely yours,

Joe M. Huddleston
509 West Third Avenue
Anchorage, Alaska 99501

JMH/ph

274-7522 ✓

Joe M. Huddleston
509 West Third Avenue
Anchorage, Alaska 99501

April 15, 1983



The Honorable Charlie Bussell
House of Representatives
Pouch "V"
Juneau, Alaska 99811

Dear Charlie:

I would like to take this opportunity to direct to you my thoughts on pending legislation. House Bill No. 7 and Senate Bill No. 223 is proposed legislation which requires compulsory insurance in order to obtain a driver's license or vehicle tags. The idea of compulsory insurance does have surface appeal, but I believe that it does not stand close scrutiny. As you know, I am an attorney practicing law in Anchorage. I am significantly involved in insurance defense actions and I have researched this subject at length. This matter was originally scheduled for a hearing before the House Labor and Commerce Committee on Friday, February 15th. I had planned on attending that hearing but it was cancelled on the 14th. It is my hope that I will be able to attend either the House or Senate hearing on this matter when it is rescheduled.

As I mentioned above, the idea of compulsory insurance does have a degree of surface appeal. However, our several sister states have experimented with this type of legislation to their prejudice. New York adopted a compulsory insurance law in 1956 and a study undertaken by the University of Michigan in 1963 reported that the law was unenforced, unenforceable, and a complete failure. A New York Daily News "study" reported that the law had failed to achieve its aims and was, in fact, counterproductive.

In the main our sister states have found that the compulsory insurance laws (1) cannot be enforced; (2) are costly to administer; and (3) increase insurance premiums for responsible drivers.

Notwithstanding the above, my three major reservations concerning this legislation are that it will (1) significantly increase the premium rates for responsible policy holders; (2) significantly increase the case loads at the Superior Court level; and (3) engender disrespect for law.

A superficial review of this subject might suggest that the respective insurance carriers would be in favor of this type of legislation. What greater boon could one envision to the insurance industry than legislation which mandates that everyone must buy their product? However, the insurance industry has realized that compulsory insurance creates a bureaucracy in state government and in private industry and, further, significantly raises insurance premium rates.

I would suggest to you that this Bill is simply a make work project for attorneys. In the situation where an insured motorist is involved in an accident with an uninsured motorist, he has recourse to his uninsured motorist benefits. This is a very common situation and in almost all of these situations no lawsuit is filed. The insured motorist simply settles with his own insurance carrier or, in a relatively few cases, the matter is taken to arbitration. The overwhelming majority of this type of case does not involve an attorney and is settled without recourse to the court. The savings to the taxpayer are incalculable.

The requirement that every driver obtain insurance will negate the effect of the uninsured motorist benefits and result in a proliferation of lawsuits rather than the insured simply settling the case with his own insurance company or demanding arbitration. This will be an excellent benefit for attorneys but will be a disservice to the citizens of the state of Alaska in that it will increase insurance premiums, increase state and private industry bureaucracy, increase the expense at the Superior Court level and prevent the speedy resolution of claims through the uninsured motorist provisions.

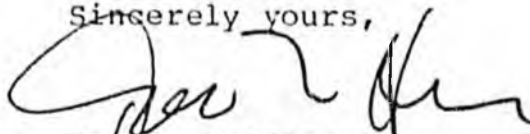
As I stated above, my research has indicated that the system of compulsory insurance is not effective in that it is unenforceable. The costs of enforcement through the Department of Motor Vehicles is prohibitive. A California study revealed that persons were applying for insurance, or actually obtaining it, and then cancelling the insurance as soon as they obtained their license. A Pennsylvania study reflected that the Department of Motor Vehicles in that state was bogged down in a bureaucratic morass. On average, forty thousand notices of cancellation or lapses of payment were processed each month by that department. The most recent information from New York reflects that the costs of enforcement were in excess of seven million dollars per year. South Carolina also spent in excess of one million dollars to enforce its compulsory law in the fiscal year ending April 30, 1979. It is the experience of our system of jurisprudence that laws that are unenforced or unenforceable are a disservice to the legislature and a disservice to the people of the state.

AN ALTERNATIVE SOLUTION

The concept that citizens of the state of Alaska should be protected from physical and financial reverses of this type is laudable and should be pursued. However, there is a much more effective method of insuring that this type of physical and financial protection is available. Many states, for instance Oregon, require that each insurance policy contain uninsured motorist benefits. Under this type of provision, when an insured driver is involved in an accident with an uninsured motorist he simply files a claim with his own insurance company rather than dealing with the financially irresponsible individual that caused the collision in the first place. Requiring uninsured motorist coverage in every policy precludes the necessity of increasing either government or private industry bureaucracy. Requiring uninsured motorist provisions in every policy is easily enforceable as the respective carriers would not be allowed to sell insurance that did not include these benefits. Additionally, uninsured motorist coverage is very inexpensive to the policy holder. I would request that you review your own insurance policy and compare the costs of uninsured motorist coverage with the costs of general bodily injury liability coverage. The UM coverage generally costs just a few dollars.

It is my firm belief that the passage of House Bill No. 7, Senate Bill No. 223 will result in a morass of bureaucracy and paperwork and significant expense to the citizens of the state of Alaska. Additionally, compulsory insurance will significantly raise the premium rates that each of us must pay for insurance. Unfortunately, it is the experience of the citizens of the state of Alaska that we are compelled to pay an inordinate price for goods and services that are available in the Lower 48 on a less expensive basis. I do not believe that this additional cost should be passed along to the citizens of the state of Alaska. I would appreciate your thoughts or comments on this. I wish to thank you for your courtesy in this matter.

Sincerely yours,



Joe M. Huddleston
508 West Third Avenue
Anchorage, Alaska 99501

JMH/ph

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: CSSSHB 7(L&C)
 Title: relating to motor vehicles
 Sponsor: Labor & Commerce Committee
 Requestor: Judiciary Committee

II. FISCAL DETAIL

Agency Affected: Commerce & Ec. Dev.
 Program Category Affected: Public Prot.
 BRU, Program of Subprogram(s) Affected: Division of Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	0	4.0	4.0	5.0	5.0	5.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	0	4.0	4.0	5.0	5.0	5.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND	0	4.0	4.0	5.0	5.0	5.0
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

not available

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Kenneth C. Moore, Director
 Division: Insurance
 Approved by Commissioner: Richard A. Lyon
 Department: Commerce & Economic Development

Phone: 465-2515
 Date: 4/29/83
 Date: 5/5/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

IV. ANALYSIS:

The data to be used as a comparison in the report required in Sec. 28.22.550 of the bill does not currently exist in a form that is reliable or conclusive. It is necessary to create base data at the earliest possible time if any kind of comparative comments are to have any meaning in the required reports. The amounts shown as contractual are to be used for periodic polls to arrive at insured automobile ratios via poll sampling by a firm qualified to conduct such work. The information so developed along with that acquired from the court system and other affected departments will be used to prepare the report.

Panel OK's auto insurance bill

^{TUES}
The Associated Press 5-7-83

JUNEAU — The House Judiciary Committee on Friday approved a measure that would require auto insurance in Alaska. If approved by the legislature and signed by Gov. Bill Sheffield, the law would be similar to those enacted in 30 other states.

The measure (CSHB7) would require proof of insurance be shown at the time registration is renewed each year for vehicle in Alaska. Drivers also would routinely be asked to show proof of insurance when stopped for a moving violation.

The penalties for driving without insurance would include a fine of between \$250 and \$1,000, suspension of a re-

vocation of a driver's license and vehicle registration for up to 30 days on a first offense and 90 days for a second conviction. A vehicle could be impounded after a second conviction and forfeited after a third.

The measure also increase the minimum liability limits for which a person must be insured to \$50,000 for injuries caused to one person in an accident, \$100,000 in accidents with multiple injuries and \$25,000 for property damage. Current law requires \$25,000 for injuries to one person, \$50,000 in multiple-injury accidents and \$10,000 for property damage.

The bill would require insurance companies to offer

uninsured and underinsured insurance for both bodily injury and property damage. Currently, only uninsured insurance is offered for bodily injury.

Speaker Joe Hayes, R-Anchorage, said he is pleased with the public reaction to the bill.

"I think most people agree that those who take advantage of the privilege to drive should also take the responsibility that comes with that privilege," Hayes said.

Current law requires insurance to be purchased after an accident, which Hayes calls backwards. "We should be protecting the public before people get behind the wheel of a car," he said.

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: CSSSHB 7 (Judiciary)
 Title: "...relating to motor vehicles..."
 Sponsor: House Judiciary (Orig. - Haves)
 Requestor: House Finance Committee

II. FISCAL DETAIL

Agency Affected: Department of Law
 Program Category Affected: General Govt.
 BRU, Program of Subprogram(s) Affected: Legal Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Richard I. Pegues, Director

Division: Administrative Services Division

Phone: 465-3672

Date: May 12, 1983

Approved by Commissioner: Norman J. Gorsuch, Attorney General

Department: Department of Law

Date: May 12, 1983

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

CSSSHB 7 (Judiciary)
Fiscal Note
Analysis

The Department of Law is submitting a "zero" fiscal note for this bill because the financial impact cannot be estimated at this time. There is no accurate data available that would indicate the extent to which violations may occur. The provision for forfeiture of a vehicle, which is triggered when a person is convicted twice or more within ten years, will require some work on the part of legal services attorneys in handling remission proceedings. The degree of compliance, the level of prosecution, and the potential number of repeat offenders simply cannot be predicted until sometime after this legislation becomes law. The department might have to request additional resources from the legislature if, over time, there is poor compliance resulting in a large number of repeat offenders.

3 MONTHS. COST AUTO POLICIES ARE LISTED FOR THESE TERMS. THE
DATE, THE... WILL BE CHANGED IN... MONTHS OF

REGISTRATION WITH HOLDING IN THE AUTO INSURANCE POLICY PROVIDES
PAGE 5, LINE 1. THE... THIS HOME APPEAL TO BE

TO BEAN... COMPANIES
NOT AUTHORIZED TO DO BUSINESS IN THE STATE... IS THIS INTENDED
PAGE 1, LINE 1. THE... THE OBJECT... IN THE COMPANY IS

THE... OF... ON PAGE 6 LINE 7
PAGE 1, LINE 1. THE... 19...

LINE 25.
USING WORDING ON PAGE 13, LINE 13 AFTER THE COMMA THROUGH
THE DISTINCTION OF APPLICABLE TO NONADMITTED COMPANIES. SUGGEST
STATE MAY CREATE UNCERTAINTY. THE DIVISION OF INSURANCE MAKES
PAGE 3, LINE 22. THE... AUTHORIZED TO DO BUSINESS IN THE

THE FOLLOWING RECOMMENDATIONS ARE SUGGESTED NONREPEATING MEASURES
THAT WILL IMPROVE THE BILL.

RE: OSSH87 SENATE COURTESY PART 8823

JUNEAU AK

POUCH A

3533

PMS REP CHARLIE BUCKELL

20257 WL TDA EAGLE RIVER AK 366 05-16 955A VPI

ATASCOM, INC.
PHONE: 588-6442
JUNEAU, AK 99802

TELEGRAM



OR

AND THIS IS RECOMMENDED AS AN ADDITION.

PROVISION IS MADE IN THE BILL TO CORRECT SINGLE LIMITS COVERAGE

AND ALSO TO CORRECT POLICY COVERAGE UNDER SINGLE LIMITS. NO

ADDITIONAL PROVISIONS.

PROPERTY DAMAGE SHOULD BE COVERED TO THE EXTENT OF THE LIMITATION OF

THESE.

SUSTAINED BY ANY PERSON INCLUDING DEATH AT ANY TIME RESULTING

PERSON SHOULD BE COVERED TO "BODILY INJURY, SICKNESS OR DISEASE

THROUGHOUT THE BILL THE TERM "BODILY INJURY TO OR DEATH OF ONE

PERSON."

PAGE 10 LINE 28: INSERT "THE MOTOR VEHICLE" AFTER THE "KNOWNLY

INURED OR ITEMS NOT COVERED BY THE POLICY.

INCLUDED IN THE BILL. IT APPEARS TO REQUIRE PAYMENT BY THE

PAGE 9 LINE 11 THROUGH 14; I AM NOT SURE WHY THIS PROVISION IS

BUSINESS.

IN THE LIFE INSURANCE BUSINESS NOT THE PROPERTY AND CASUALTY

PAGE 9, LINE 1; DELETE "AND EVERY OTHER" THE TERM RIDE IS USED

IS NOT PROPER THAN THE INSURANCE POLICY.

BY THE DEPARTMENT OF PUBLIC SAFETY OR DIVISION OF INSURANCE SO IT

PAGE 6, LINE 9 THROUGH 14: THE CARD "HOLDING SHOULD BE PROVIDED

MEMO

1157

TO: Rep. Bussell, Chairman & Rep. Liska, Vice-Chairman, & Reps. Barnes, Hayes, Malone, Clocksin & Wendte

FROM: Staff Counsel

Date: May 2, 1983

SUGGESTED AMENDMENTS

1--p. 3, line 10, the "and" at end of line, not bracketed, appears to be a typo and should be eliminated.

2--The following is suggested in the light of Karla Forsythe's letter to all Committee members. (in packet). Any violation or crime resulting in a Class B misdemeanor automatically means an appearance in court.....not so with the traffic infractions listed in traffic bail schedules, where the individual may mail in bail and never make an appearance. (Of course, some ticket recipients want to come into court for trial, and do). There's no choice, with a Class B misdemeanor. This bill would have it both ways and the provisions are conflicting.

Where a person stands to lose a license and/or go to jail, as in this proposal and under the Class B misdemeanor, the person also can have a jury trial (Baker v. City of Fairbanks, P.2d 1970)

Following is Karla's language, offered as replacement at page 11, line 3:

(b) If a peace officer has probable cause to believe a motor vehicle was used in the commission of an offense under (a) of this section, a citation will be issued. The charge will be dismissed if evidence is presented within five days showing insurance policy coverage as required by AS 28.22.010 was in effect at the time the citation was issued.

3--As per the suggestion on the last page of Karla's letter, the following would be offered on page 14, line 15:

forfeiture of a motor vehicle under AS 28.22.520, the [court] Department of Law shall within five days provide to every person (etc

SECTION ANALYSIS -- MANDATORY AUTO LIABILITY INSURANCE
CSSSB 7 (L&C)

Section 1 Declaration of Purpose. Expresses goal of legislation that motorists be financially responsible for their actions due to rising toll of accidents. The legislature declares that the public interest can best be served by the requirement to show proof of liability insurance prior to registration.

Section 2 adds mobile homes as defined by statute to vehicles exempt from registration.

Section 3 Amends 28.10.011 by adding a new section under REGISTRATION which specifies an owner may not register or renew registration of a vehicle without providing proof of liability insurance as required in statute.

Section 4 Amends APPLICATION FOR REGISTRATION statute by specifying that certificate of registration may not be issued until the criteria set out in Section 3 above is met.

Section 5 Amends 28.10.111 (RENEWAL OF REGISTRATION) by adding a new section specifying that current registration may not be renewed until adequate proof of financial responsibility is shown as required in statute.

Section 6 Allows DMV to issue title to certain vehicles exempt from registration.

- a) vehicles exempt under Soldier and Sailor's Civil Relief Act (current exemption)
- b) special mobile equipment (new)
- c) vehicles driven or parked on private property (new)
- d) vehicles driven or moved on highway or vehicular way which is not connected to state highway system (new)
- e) mobile homes as defined by statute (new)

Section 7 Requires proof of sufficient liability insurance on vehicles OWNED by driver before driver's license can be issued or renewed for both residents and non-residents. If driver did not OWN vehicles at time of license renewal, no proof would have to be shown. A person who owns a vehicle that is registered out of state must show proof of insurance prior to obtaining an Alaska license.

Section 8 Mandates suspension of license when advised that insurance has been cancelled and there is no response by license holder within 30 days of notice to suspend sent by department.

Section 9 Amends law to require knowledge of the effects of alcohol and drugs on driving and knowledge of laws relating to financial responsibility when taking test for driver's license.

Sections 10- Amends current financial responsibility law
13 to increase liability limits to current rates as
established for insurance policies under AS.
28.22.010 These are increasing limits from
25/50/10 to 100/300/50 thousand.

Section 14 adds requirement of offering underinsured
motorist coverage for insurance policies written
in state for both personal injury and property
damage.

Section 15 adds new sections (l) and (m) to current
definition of insurance policy. These are the
same items as contained in the proposed
definition under AS 28.22.010 (sec.17)

Section 16 Amends current law to increase amount of money
or securities required as proof of insurance to
a rate in line with policy requirements ...
\$100,000

Section 17 ADDS NEW CHAPTER 22 TO TITLE 28..Motor Vehicle
Liability Insurance

This is virtually identical language to that now in statute
28.20.440.

CHANGES TO CURRENT LAW OR ADDITIONS:

28.22.010

(b) 2 A/B- increases minimum limits for insurance to be
contained in policy. (These are the same limits that were
amended in the previous 5 sections)

Bodily injury to or death of one person in any one accident
CURRENTLY \$25,000 PROPOSED \$100,000

Bodily injury to or death of two or more persons in any 1
accident
CURRENTLY \$50,000 PROPOSED \$300,000

Injury to or destruction of property of others in any one
accident
CURRENTLY \$10,000 PROPOSED \$50,000

These are limits contained in most standard policies currently
issued. These are also limits generally imposed by banks for
insurance requirements to buy a car.

(3) Requires offering of underinsured motorist coverage in
addition to uninsured coverage. Coverage will also relate to
property damage. Current law on requires offering of uninsured
coverage for bodily injury or death. But this may be waived in
writing.

-r-3
(l) Requires insurance carrier to notify DMV when a policy is cancelled within the first 130 days that a policy is in effect and within 10 days of knowledge of termination or intent to terminate. If a person whose coverage terminates fails to provide DMV with satisfactory evidence of insurance, DMV will suspend the driver's license and all registration certificates and plates issued to owner of vehicle until proof of insurance is given.

(m) Requires insurance carriers to provide the insured with a card indicating existence of satisfactory policy. This card must be carried in vehicle at all times.

28.22.020

To be considered effective, policies must be issued by insurance companies authorized to do business in state and meet financial limits imposed by statute. Allows for exception if power of attorney is executed.

28.22.500 PENALTIES

Penalties are imposed for driving or knowingly permitting to be driven a vehicle required to be insured unless the vehicle and driver are covered by an adequate insurance policy. This section describes penalties for violation of that law. See attached sheet.

SEC. 28.20.510 sets out provisions relating to impoundment.

Allows for impoundment or release to person with right to possess a vehicle if a peace officer has cause to believe vehicle was driven without proper insurance. If released, the owner or person with right to possess must pay costs of impounding and storing.

Impoundment is until proof of insurance is shown if driver has not been previously convicted of similar offense or for 30-90 days if person has been previously convicted of similar violation within 10 years.

Upon impoundment, a hearing will be provided at the time of impoundment to the person with the right to possess the vehicle, the driver, other persons with an ownership interest. Following a hearing, the vehicle will be released to owner or person with right to possess if it is determined impoundment was improper or that at the time of impoundment the vehicle was being driven

by a person other than the owner or person with right to possess the vehicle AND

without the consent of the owner or person with right to possess the vehicle.

Vehicle will also be released if

the driver is not charged within 10 days of impoundment of an offense related to the impoundment OR any related charges are dropped or dismissed OR the driver is acquitted of any related offenses.

If the vehicle is not released after impoundment hearing, a lienholder may reposses the vehicle for sale and impoundment costs are to be paid by sale proceeds.

28.22.520/28.22.530 FORFEITURES

These provisions apply when forfeiture is called which happens following 3rd conviction within 10 years of driving without proper insurance.

Court will require surrender of registration and title. If not released, the department may dispose of the vehicle as governed by statutes.

Upon order to forfeit, the court will provide notification of intent to require forfeiture to all who have an ownership interest in vehicle. This will allow for any interested party to ask for remission of interest in the vehicle. Court will hold hearing if request for remission of interest is made and such interest will be remitted if

the petitioner has an interest in the vehicle acquired in good faith AND

a person other than the petitioner was convicted of the offense which resulted in forfeiture AND

before parting with the motor vehicle, the petitioner didn't know or have reasonable cause to believe it would be used in the commission of an offense.

This protects the vehicle dealer or, for example, the owner of a car taken without permission or stolen.

If remission of interest is granted it may be either in the form of reimbursement for interest or repossession of the vehicle and title.

28.22.540 UNUSED MOTOR VEHICLES

This provision allows a person to terminate or suspend insurance policy without penalty by removing plates from vehicle and delivering them to DMV. When vehicle is to be used, driver must present proof of insurance to DMV and plates will be returned.



Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

Official Business

LABOR AND COMMERCE SUBSTITUTE HB 7

Changes from SSHB 7

The changes made by the Labor and Commerce Committee changed language and sections 18 and 19 to require insurance companies to offer uninsured and underinsured coverage for both property damage and personal injury. This coverage may be waived upon signature of the insured. This coverage must be available in at least equal amounts to the coverage bought voluntarily under the regular liability coverage.

The language was changed both in Title 21 and the proposed rewrite of Title 28 as this bill proposes.

No other amendments were offered in committee.

COMMITTEE REPORT
HOUSE

4/25

STATE AFFAIRS

FURTHER: FINANCE

(7)

3/31/83

Date: 4/22/83

Mr. Speaker:

The Committee on LABOR & COMMERCE has had SSHB 7

✓ " An Act relating to motor vehicles; and providing for an effective date. "

under consideration and reports it back as follows:

[] do pass [] do not pass

[] do pass with attached amendments(s)

[X] replace with CS for SSHB 7 (L+C) [X] same title [] new title

and recommends _____

[] AND attaches a "Letter of Intent" [X] ~~Low~~ Fiscal Note

[] reports it back without recommendation [] Zero Fiscal Note Attached

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Walt Furnace
John J. Tardiff
Rick Gehring

MEMBERS HAVING
OTHER RECOMMENDATIONS:

J. Malone No Rec

Walt Furnace
CHAIRMAN

I. REQUEST

Bill/Resolution No.: CSSSHB 7 (L&C)
 Title: An Act Relating to Motor Vehicles
 Sponsor: Hayes, Barnes, et al
 Requestor: House Judiciary

II. FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: Justice/ Public Safety
 BRU, Program of Subprogram(s) Affected: Alaska State Troopers/Driver/Protection Vehicle Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING			528.7	560.4	594.0	629.6
100 PERSONAL SERVICES			32.9	34.9	37.0	39.2
200 TRAVEL			424.2	449.6	476.6	505.2
300 CONTRACTUAL			37.6	39.9	42.3	44.9
400 COMMODITIES			151.5			
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING			1,174.9	1,084.8	1,149.9	1,218.9
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND			1,174.9	1,084.8	1,149.9	1,218.9
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME			12	12	12	12
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not Identified by Sponsors.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Mike Orelove
 Division: Administrative Services

Phone: 465-4349
 Date: 5/2/83

Approved by Commissioner: [Signature]
 Department: Public Safety

Date: 5/2/83

Distribution:

- Original to Legislative Finance
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Alaska State Troopers

CSSSHB 7 (L&C)

Motor Vehicle Liability Insurance

Passage of this bill will require a statewide enforcement effort to ensure compliance. If a vehicle is stopped and proves not to have current insurance it will need to be impounded. This will require numerous Troopers all over the State to spend patrol time enforcing provisions of this particular law. The bulk of the activity will take place in the Anchorage area, Fairbanks, and Juneau. One additional Trooper is requested for each of these locations to absorb the increased work load.

FY '85

	<u>Three</u> <u>Troopers</u>	<u>Academy(2)</u>	<u>Totals</u>
Personal Svc.	201,684	.	201,684
Travel	6,360		6,360
Contractual	55,866	9,540	65,406
Commodities	10,494	636	11,130
Equipment(1)	64,554		64,554
	<u>338,958</u>	<u>10,176</u>	<u>349,134</u>

- (1) Equipment costs are incurred during the first year only.
- (2) The Public Safety Academy is budgeted only for costs of training replacement Troopers based on normal turnover of personnel. Any new Troopers required due to new legislation need additional funding.

Note: Inflation after FY'85 is estimated at 6% per year. FY'85 is based upon FY'84 costs inflated by 6%.

1.	POSITION TITLE State Trooper				RANGE/STEP 76A	BARG. UNIT PSEA	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 13.9	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Palmer	ELECTION DISTRICT 7-15	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary \$2,998 + 25 hrs. OT		44,118							
6.	Benefits .2721		11,266							
7.	Supplemental Benefits		2,880							
8.	Fixed Benefits		2,240							
9.	TOTAL PERSONAL SERVICES		01		60,504					
10.	Travel		02		2,000					
11.	Contractual		03		17,568					
12.	Commodities		04		3,300					
13.	Equipment		05		20,300*					
14.	Other									
15.	TOTAL COST				103,672					
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004				103,672				
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B211 USE ONLY										
4A KEY NUMBER										

This position will be utilized on increased patrol activity due to the need to check motor vehicle records to assure compliance with this new law.

* Equipment costs will be incurred in the first year only.

Computations are at FY 84 costs.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

PROGRAM Crime ID & Apprehension

BRU Alaska State Troopers

COMPONENT Detachments & C.I.B.

FY 84

Page 1 of 3

Revised Date

1.	POSITION TITLE State Trooper				RANGE/STEP 76A	BARG. UNIT PSEA	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 13.9	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 18-21	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary \$3,472 + 25 hrs. OT		51,093							
6.	Benefits		13,047							
7.	Supplemental Benefits		2,880							
8.	Fixed Benefits		2,240							
9.	TOTAL PERSONAL SERVICES		69,260							
10.	Travel		2,000							
11.	Contractual		17,568							
12.	Commodities		3,200							
13.	Equipment		20,200							
14.	Other									
15.	TOTAL COST		112,428							
	RECEIPT CODE				FUNDING SOURCE					
16.					Federal Receipts 1002					
17.					G.F. Match 1003					
18.					General Funds 1004 112,428					
19.					I-A Receipts 1005					
20.					Program Receipts 1028					
21.					Other					
FOR BSM USE ONLY										
4A KEY NUMBER										

This position will be utilized on increased patrol activity due to the need to check motor vehicle records to assure compliance with this new law.

* Equipment costs will be incurred in the first year only.

Computations are at FY 84 costs.

13 REQUEST FOR NEW POSITION

AGENCY Department of Public Safety
 PROGRAM Crime ID & Apprehension
 BRU Alaska State Troopers
 COMPONENT Detachments & C.I.B.

Page 3 of 3
 Revised Date

FY 84

1.	POSITION TITLE State Trooper			RANGE/STEP 76A	BARG. UNIT PSEA	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 13.9	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT 7-15	LEG.	
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION						
4.	TYPE OF EXPENDITURE			AMOUNT					
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	12,998 + 25 hrs. OT	44,118						
6.	Benefits	.2721	11,266						
7.	Supplemental Benefits		2,880						
8.	Fixed Benefits		2,240						
9.	TOTAL PERSONAL SERVICES		01	60,504					
10.	Travel		02	2,000					
11.	Contractual		03	17,568					
12.	Commodities		04	3,300					
13.	Equipment		05	20,300*					
14.	Other								
15.	TOTAL COST			103,672					
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts	1002						
17.		G.F. Match	1003						
18.		General Funds	1004	103,672					
19.		I-A Receipts	1005						
20.		Program Receipts	1020						
21.		Other							
FOR BGM USE ONLY									
4A KEY NUMBER _____									

This position will be utilized on increased patrol activity due to the need to check motor vehicle records to assure compliance with this new law.

* Equipment costs will be incurred in the first year only.

Computations are at FY 84 costs.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

PROGRAM Crime ID & Apprehension

BRU Alaska State Troopers

COMPONENT Detachments & C.I.B.

FY 84

Page 2 of 3
Revised Date _____

Driver/Vehicle Services

The basic assumption of this fiscal note is that for this bill to be effective there must be an adequate system of enforcement and compliance. Other states with mandatory insurance laws estimate that 5%-15% of their vehicles are operating without insurance as owners find ways to circumvent the law. We find that our present Financial Responsibility Law, AS 28.20, is practically as effective and far less costly both to the state bureaucracy and to the citizens directly.

For this bill to be effective the division of Motor Vehicles must create a compliance unit of 9 employees. The compliance unit must be located with Division headquarters since there must be ready reference to the existing ownership and registration record. The present headquarters location will not accommodate any expansion, therefore, the fiscal note provides for relocation and lease of new space for the Division of Motor Vehicles headquarters in FY-85.

A further breakdown by object code is attached. The reason for such a large figure in the 310 category is because of statutory requirement that all suspension notices must be sent by registered or certified mail, return receipt requested. If action is taken on 30,000 uninsured vehicles, at \$1.55 postage per notice, that cost alone is \$46,500.

ANALYSIS (continued):

The FY-85 costs for the compliance unit are as follows:

100 Personal Services

1 - Insurance Compliance Unit Supervisor (Range 18, new classification)	52.7
2 - Hearing Officers (Range 16, new classification)	90.1
1 - Clerk V	33.2
4 - Clerk 1V	119.6
1 - Microfilm Equipment Operator	31.4
TOTAL	327.0

200 Travel

Hearing Officers to travel to various cities to conduct suspension hearings	26.5
--	------

300 Contractual

310 - phones, tolls, postage	54.6
320 - forms, advertising, public notice	15.9
330 - headquarter's space lease (6,000 sq. ft.)	171.7
360 - equipment rental (4 AJIS terminals)	31.8
382a - DP Chargeback programming and maintenance	84.8
TOTAL	358.8

ANALYSIS (continued):

400 Commodities

Normal office supplies 26.5

500 Equipment

Office Equipment (9 employees) 27.0

Word Processing Station (Wang) 20.0

Microfilm Camera and Printer 40.0

TOTAL 87.0

Inflation for subsequent years is figured at the 6% level.

1.	POSITION TITLE Clerk IV				RANGE/STEP 9	BARG. UNIT CGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.		
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.				
3.	CONTINUATION LEVEL				JUSTIFICATION							
4.	TYPE OF EXPENDITURE				<p>The state is required to suspend vehicle registrations and operator's licenses of those found to be operating a motor vehicle without liability insurance. The clerical functions associated with this are highly specialized in that the Clerk IV must be able to do detailed research in both motor vehicle and drivers records, must be familiar with different type of insurance policies, and must have a working knowledge of all motor vehicle laws.</p> <p>Accuracy is essential in this work since the consequences of the unit's actions on individual citizens is great. The loss of vehicle and driving privileges is a harsh step and the possibility of error must be eliminated to avoid working hardships on innocent parties. To assist in record tracking and handling similar form correspondence, a Wang word processing unit will be used by the section.</p> <p>Based on other states' experience, approximately 10% or 30,000 vehicle owners will try to circumvent or violate this law. The volume of records and correspondence with 30,000 cases annually will require a unit of 4 Clerk IVs.</p> <p>Computation on this form is at FY 84 costs.</p>							
	1		2								3	
	PERSONAL SERVICES											
5.	Salary	1700		20.4								
6.	Benefits			3.6								
7.	Supplemental Benefits			1.3								
8.	Fixed Benefits			2.9								
9.	TOTAL PERSONAL SERVICES		01								28.2	
10.	Travel		02									
11.	Contractual		03								5.0	
12.	Commodities		04								1.0	
13.	Equipment		05								3.0	
14.	Other											
15.	TOTAL COST										37.2	
	RECEIPT CODE	FUNDING SOURCE										
16.		Federal Receipts 1002										
17.		G.F. Match 1003										
18.		General Funds 1004		37.2								
19.		I-A Receipts 1005										
20.		Program Receipts 1028										
		Other										

FOR B&M USE ONLY
4A KEY NUMBER _____

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life and Property Protection
BRU Driver/Vehicle Services
COMPONENT Vehicle Services

FY 84

Page 1 of 1
Revised Date _____

1.	POSITION TITLE Clerk IV				RANGE/STEP 9	BARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION P/T	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.			
3.	CONTINUATION LEVEL				JUSTIFICATION						
4.	TYPE OF EXPENDITURE				AMOUNT						
	1		2		3						
	PERSONAL SERVICES										
5.	Salary	1700		20.4							
6.	Benefits			3.6							
7.	Supplemental Benefits			1.3							
8.	Fixed Benefits			2.9							
9.	TOTAL PERSONAL SERVICES		01	28.2							
10.	Travel		02								
11.	Contractual		03	5.0							
12.	Commodities		04	1.0							
13.	Equipment		05	3.0							
14.	Other										
15.	TOTAL COST			37.2							
	RECEIPT CODE	FUNDING SOURCE									
16.		Federal Receipts 1002									
17.		G.F. Match 1003									
18.		General Funds 1004		37.2							
19.		I-A Receipts 1005									
20.		Program Receipts 1028									
21.		Other									
FOR BGM USE ONLY											
4A KEY NUMBER _____											

The state is required to suspend vehicle registrations and operator's licenses of those found to be operating a motor vehicle without liability insurance. The clerical functions associated with this are highly specialized in that the Clerk IV must be able to do detailed research in both motor vehicle and drivers records, must be familiar with different types of insurance policies, and must have a working knowledge of all motor vehicle laws.

Accuracy is essential in this work since the consequences of the unit's actions on individual citizens is great. The loss of vehicle and driving privileges is a harsh step and the possibility of error must be eliminated to avoid working hardships on innocent parties. To assist in record tracking and handling similar form correspondence, a Wang word processing unit will be used by the section.

Based on other states' experience, approximately 10% or 30,000 vehicle owners will try to circumvent or violate this law. The volume of records and correspondence with 30,000 cases annually will require a unit of 4 Clerk IVs.

Computation on this form is at FY 84 costs.

AGENCY Department of Public Safety

PROGRAM Life and Property Protection

BRU Driver/Vehicle Services

COMPONENT Vehicle Services

13 REQUEST FOR
NEW POSITION

FY 84

Page 1 of 1

Revised Date

1.	POSITION TITLE Clerk IV				RANGE/STEP 9	DARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.			
3.	CONTINUATION LEVEL				JUSTIFICATION						
4.	TYPE OF EXPENDITURE				AMOUNT						
	1		2		3						
	PERSONAL SERVICES										
5.	Salary	1700	20.4								
6.	Benefits		3.6								
7.	Supplemental Benefits		1.3								
8.	Fixed Benefits		2.9								
9.	TOTAL PERSONAL SERVICES		01	28.2							
10.	Travel		02								
11.	Contractual		03	5.0							
12.	Commodities		04	1.0							
13.	Equipment		05	3.0							
14.	Other										
15.	TOTAL COST			37.2							
16.	RECEIPT CODE	FUNDING SOURCE									
17.		Federal Receipts 1002									
18.		G.F. Match 1003									
19.		General Funds 1004		37.2							
20.		I-A Receipts 1005									
		Program Receipts 1028									
		Other									
FOR BSM USE ONLY											
4A KEY NUMBER _____											

The state is required to suspend vehicle registrations and operator's licenses of those found to be operating a motor vehicle without liability insurance. The clerical functions associated with this are highly specialized in that the Clerk IV must be able to do detailed research in both motor vehicle and drivers records, must be familiar with different type of insurance policies, and must have a working knowledge of all motor vehicle laws.

Accuracy is essential in this work since the consequences of the unit's actions on individual citizens is great. The loss of vehicle and driving privileges is a harsh step and the possibility of error must be eliminated to avoid working hardships on innocent parties. To assist in record tracking and handling similar form correspondence, a Wang word processing unit will be used by the section.

Based on other states' experience, approximately 10% or 30,000 vehicle owners will try to circumvent or violate this law. The volume of records and correspondence with 30,000 cases annually will require a unit of 4 Clerk IVs.

Computation on this form is at FY 84 costs.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life and Property Protection
BRU Driver/Vehicle Services
COMPONENT Vehicle Services

FY 84

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Revised Date _____

1.	POSITION TITLE Clerk IV			RANGE/STEP 9	BARG. UNIT CGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.	

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary	1700	20.4
6.	Benefits		3.6
7.	Supplemental Benefits		1.3
8.	Fixed Benefits		2.9
9.	TOTAL PERSONAL SERVICES	01	28.2
10.	Travel	02	
11.	Contractual	03	5.0
12.	Commodities	04	1.0
13.	Equipment	05	3.0
14.	Other		
15.	TOTAL COST		37.2

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	37.2
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

JUSTIFICATION

The state is required to suspend vehicle registrations and operator's licenses of those found to be operating a motor vehicle without liability insurance. The clerical functions associated with this are highly specialized in that the Clerk IV must be able to do detailed research in both motor vehicle and drivers records, must be familiar with different types of insurance policies, and must have a working knowledge of all motor vehicle laws.

Accuracy is essential in this work since the consequences of the unit's actions on individual citizens is great. The loss of vehicle and driving privileges is a harsh step and the possibility of error must be eliminated to avoid working hardships on innocent parties. To assist in record tracking and handling similar form correspondence, a Wang word processing unit will be used by the section.

Based on other states' experience, approximately 10% or 30,000 vehicle owners will try to circumvent or violate this law. The volume of records and correspondence with 30,000 cases annually will require a unit of 4 Clerk IVs.

Computation on this form is at FY 84 costs.

FOR B&H USE ONLY
4A KEY NUMBER _____

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life and Property Protection
BRU Driver/Vehicle Services
COMPONENT Vehicle Services

FY 84

Page 1 of 1
Revised Date _____

1.	POSITION TITLE Hearing Officer				RANGE/STEP 16	BARG. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.			
3.	CONTINUATION LEVEL				JUSTIFICATION						
4.	TYPE OF EXPENDITURE				AMOUNT						
	1			2		3					
	PERSONAL SERVICES										
5.	Salary	2670		32.0							
6.	Benefits			5.6							
7.	Supplemental Benefits			2.0							
8.	Fixed Benefits			2.9							
9.	TOTAL PERSONAL SERVICES			01	42.5						
10.	Travel			02	10.0						
11.	Contractual			03	5.0						
12.	Commodities			04	2.0						
13.	Equipment			05	3.0						
14.	Other										
15.	TOTAL COST				62.5						
	RECEIPT CODE	FUNDING SOURCE									
16.		Federal Receipts 1002									
17.		G.F. Match 1003									
18.		General Funds 1004			62.5						
19.		I-A Receipts 1005									
20.		Program Receipts 1028									
		Other									
FOR D2M USE ONLY											
4A KEY NUMBER _____											

The mandatory insurance bill requires the state to suspend vehicle registrations, plates, and operator's licenses for those people who operate a vehicle without the required liability insurance. Prior to taking any action of this type, the department must provide the person an opportunity for an administrative hearing (AS 28.05.131).

Using estimates based on other states' experience with mandatory insurance, there will only be a 90% compliance level. This means action will be taken on the remaining 10% or 30,000 uninsured vehicles. The hearing officer must travel to all areas of the state to administer the hearings. With this volume there will be two hearing officers required.

Due to the limited scope of the hearing items, it is not necessary to have an attorney in this position.

Computation on this form is at FY 84 costs.

AGENCY Department of Public Safety

PROGRAM Life and Property Protection

BRU Driver/Vehicle Services

COMPONENT Vehicle Services

13 REQUEST FOR
NEW POSITION

FY 84

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Revised Date

1.	POSITION TITLE Hearing Officer				RANGE/STEP 16	BARC. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.			
3.	CONTINUATION LEVEL				JUSTIFICATION:						
4.	TYPE OF EXPENDITURE				AMOUNT						
	1		2		3						
	PERSONAL SERVICES										
5.	Salary	2670	32.0								
6.	Benefits		5.6								
7.	Supplemental Benefits		2.0								
8.	Fixed Benefits		2.9								
9.	TOTAL PERSONAL SERVICES		01		42.5						
10.	Travel		02		10.0						
11.	Contractual		03		5.0						
12.	Commodities		04		2.0						
13.	Equipment		05		3.0						
14.	Other										
15.	TOTAL COST				62.5						
16.	RECEIPT CODE	FUNDING SOURCE									
17.		Federal Receipts 1002									
18.		G.F. Hatch 1003									
19.		General Funds 1004				62.5					
20.		I-A Receipts 1005									
21.		Program Receipts 1020									
		Other									

The mandatory insurance bill requires the state to suspend vehicle registrations, plates, and operator's licenses for those people who operate a vehicle without the required liability insurance. Prior to taking any action of this type, the department must provide the person an opportunity for an administrative hearing (AS 28.05.131).

Using estimates based on other states' experience with mandatory insurance, there will only be a 90% compliance level. This means action will be taken on the remaining 10% or 30,000 uninsured vehicles. The hearing officer must travel to all areas of the state to administer the hearings. With this volume there will be two hearing officers required.

Due to the limited scope of the hearing items, it is not necessary to have an attorney in this position.

Computation on this form is at FY84 costs.

FOR B&M USE ONLY
4A KEY NUMBER _____

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life and Property Protection
BRU Driver/Vehicle Services
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1.	POSITION TITLE Microfilm Equipment Operator I				RANGE/STEP 10	BARG. UNIT CGU	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary	1803			21.6					
6.	Benefits				3.8					
7.	Supplemental Benefits				1.3					
8.	Fixed Benefits				2.9					
9.	TOTAL PERSONAL SERVICES		01		29.6					
10.	Travel		02							
11.	Contractual		03		5.0					
12.	Commodities		04		4.0					
13.	Equipment		05		43.0					
14.	Other									
15.	TOTAL COST				118.8					
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts 1002								
18.		G.F. Match 1003								
19.		General Funds 1004			118.8					
20.		I-A Receipts 1005								
21.		Program Receipts 1028								
		Other								
FOR B&H USE ONLY										
4A KEY NUMBER _____										

As a result of this bill, each vehicle operator must present some form of proof of insurance at the time of registration. This form is kept with the vehicle records which are microfilmed. Also the records of registration, suspensions, and all associated documents are microfilmed and kept with vehicle records. These forms and documents will represent a 20% increase in the documents presently maintained by the Vehicle Service Unit.

To accommodate this increased workload, a Microfilm Equipment Operator I is necessary to augment the present staff. Equipment associated with this position includes a microfilm camera and a reader-printer work station.

The microfilm retrieval system currently being used has proved cost effective in terms of labor savings and rapid response to filing needs. The high initial cost of equipment is soon offset by savings in labor and file storage costs.

Computation on this form is at FY 84 costs.

AGENCY Department of Public Safety

PROGRAM Life and Property Protection

BRU Driver/Vehicle Services

COMPONENT Vehicle Services

FY 84

13 REQUEST FOR
NEW POSITION

Page 1 of 1

Revised Date _____

1.	POSITION TITLE Insurance Compliance Unit Supervisor				RANGE/STEP 18	DARG. UNIT Sup.	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PPT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE									
	1			2	3					
	PERSONAL SERVICES									
5.	Salary	3143		37.7						
6.	Benefits			6.6						
7.	Supplemental Benefits			2.3						
8.	Fixed Benefits			2.9						
9.	TOTAL PERSONAL SERVICES			01	49.5					
10.	Travel		02		5.0					
11.	Contractual		03		5.0					
12.	Commodities		04		2.0					
13.	Equipment		05		3.0					
14.	Other									
15.	TOTAL COST				64.5					
	RF REIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004			64.5					
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								

The mandatory insurance laws require that the state take action against those who do not have liability insurance or those who cancel policies after registration. Administration of this program is the responsibility of the Insurance Compliance Unit. The Supervisor of this unit will act under the general direction of the Chief of Vehicle Services and will be responsible for the supervision of seven employees.

This position carries considerable authority in that this unit has the responsibility of suspending both vehicle registration and operator's licenses of violators. This will require close coordination with the insurance industry, the court system, and law enforcement agencies to ensure that appropriate and timely action is taken and that complete due process is given to the citizen.

The intent of the law is to have 100% compliance, however based on other states' experience, usually only 90% compliance is achieved. This will require some action be taken on 30,000 uninsured vehicles and their owners.

Computation on this form is at FY84 costs.

FOR BGM USE ONLY
4A KEY NUMBER

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life and Property Protection
BRU Driver/Vehicle Services
COMPONENT Vehicle Services

FY 84

Page 1 of 1
Revised Date

I. **REQUEST**
 Bill/Resolution No.: SSHB 7
 Title: Motor Vehicle Insurance
 Sponsor: Hayes
 Requestor: _____

II. **FISCAL DETAIL**
 Agency Affected: Public Safety
 Program Category Affected: Public Prot/Just
 BRU, Program of Subprogram(s) Affected:
Driver/Vehicle Services/Alaska State Troop

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		498.5	528.4	560.1	593.7	629.3
200 TRAVEL		31.0	32.9	34.9	37.0	39.2
300 CONTRACTUAL		460.2	487.8	517.1	548.1	581.0
400 COMMODITIES		35.5	37.6	39.9	42.3	44.8
500 EQUIPMENT		147.9				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		1173.1	1086.7	1152.0	1221.1	1294.3
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		1173.1	1086.7	1152.0	1122.1	1294.3
FEDERAL FUNDS						
OTHER (Specify Source)-						

POSITIONS:

FULL-TIME		12.0	12.0	12.0	12.0	12.0
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not identified by sponsor.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Marcia Lynn McKenzie
 Division: Administrative Services

Phone: 465-4349
 Date: 04/06/83

Approved by Commissioner: [Signature]
 Department: Public Safety

Date: 4/6/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

The basic assumption of this fiscal note is that for this bill to be effective there must be an adequate system of enforcement and compliance. Other states with mandatory insurance laws estimate that 5%-15% of their vehicles are operating without insurance as owners find ways to circumvent the law. We find that our present Financial Responsibility Law, AS 28.20, is practically as effective and far less costly both to the state bureaucracy and to the citizens directly.

This fiscal note assumes an effective date of July 1, 1983. A 6% inflation factor has been applied to FY 85 and beyond.

SS House Bill No. 7

Motor Vehicle Liability Insurance

Passage of this bill will require a statewide enforcement effort to ensure compliance. If a vehicle is stopped and proves not to have current insurance it will need to be impounded. This will require numerous Troopers all over the State to spend patrol time enforcing provisions of this particular law. The bulk of the activity will take place in the Anchorage area, Fairbanks and Juneau. One additional Trooper is requested for each of these locations to absorb the increased work load.

FY '84

	Three Troopers	Academy (2)	Totals
Per. Ser.	190,268		190,268
Travel	6,000		6,000
Contractual	52,704	9,000	61,704
Commodities	9,900	600	10,500
Equip. (1)	60,900		60,900
	<u>319,772</u>	<u>9,600</u>	<u>329,372</u>

- (1) Equipment costs are incurred during the first year only.
- (2) The Public Safety Academy is budgeted only for costs of training replacement Troopers based on normal turnover of personnel. Any new Troopers required due to new legislation need additional funding.

Note: Inflation after FY '84 is estimated at 6% per year. A Form 13 for each position is attached.

1.	POSITION TITLE State Trooper				RANGE/STEP 76A	BARG. UNIT PSEA	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 13.9	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT 7-15	LEC.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	\$2,998 + 25 hrs. OT	44,118							
6.	Benefits	.2721	11,266							
7.	Supplemental Benefits		2,880							
8.	Fixed Benefits		2,240							
9.	TOTAL PERSONAL SERVICES		01	60,504						
10.	Travel		02	2,000						
11.	Contractual		03	17,568						
12.	Commodities		04	3,300						
13.	Equipment		05	20,300*						
14.	Other									
15.	TOTAL COST			103,672						
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts 1002								
18.		G.F. Hatch 1003								
19.		General Funds 1004		103,672						
20.		I-A Receipts 1005								
21.		Program Receipts 1028								
		Other								

This position will be utilized on increased patrol activity due to the need to check motor vehicle records to assure compliance with this new law.

* Equipment costs will be incurred in the first year only.

FOR B2M USE ONLY
4A KEY NUMBER

AGENCY Department of Public Safety

PROGRAM Crime ID & Apprehension

BRU Alaska State Troopers

COMPONENT Detachments & C.I.B.

FY 84

13 REQUEST FOR
NEW POSITION

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EXPENDITURES

	FY 84	FY 85	FY 86
100 Personal Services	308.2	326.7	346.3
200 Travel	25.0	26.5	28.1
300 Contractual	398.5	422.4	447.7
400 Commodities	25.0	26.5	28.1
500 Equipment	87.0	-0-	-0-
TOTAL	843.7	802.1	850.2

For this bill to be effective the Division of Motor Vehicles must create a compliance unit of 9 employees. The compliance unit must be located with Division headquarters since there must be ready reference to the existing ownership and registration record. The present headquarters location will not accomodate any expansion, therefore, the fiscal note provides for relocation and lease of new space for the Division of Motor Vehicles headquarters in FY-84.

A further breakdown by object code is attached. The reason for such a large figure in the 310 category is because of statutory requirement that all suspension notices must be sent by registered or certified mail, return receipt requested. If action is taken on 30,000 uninsured vehicles, at \$1.55 postage per notice, that cost alone is \$46,500.

1.	POSITION TITLE State Trooper				RANGE/STEP 76A	DARG. UNIT PSEA	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.						
2.	TYPE OF POSITION PFT	STAFF MONTHS 13.9	RP NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 18-21	LEC.								
3.	CONTINUATION LEVEL				JUSTIFICATION											
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position will be utilized on increased patrol activity due to the need to check motor vehicle records to assure compliance with this new law.</p> <p>* Equipment costs will be incurred in the first year only.</p>											
	PERSONAL SERVICES															
5.	Salary \$3,472 + 25 hrs. OT		51,093													
6.	Benefits		13,047													
7.	Supplemental Benefits		2,880													
	Fixed Benefits		2,240													
9.	TOTAL PERSONAL SERVICES		01	69,260												
10.	Travc		02	2,000												
11.	Contractual		03	17,568												
12.	Commodities		04	3,300												
13.	Equipment		05	20,300*												
14.	Other															
15.	TOTAL COST			112,428												
	RECEIPT CODE	FUNDING SOURCE														
16.		Federal Receipts 1002														
17.		C.F. Hatch 1003														
18.		General Funds 1004		112,428												
19.		I-A Receipts 1005														
20.		Program Receipts 1028														
		Other														
FOR BSM USE ONLY																
4A KEY NUMBER																

AGENCY Department of Public Safety
PROGRAM Crime ID & Apprehension
DRU Alaska State Troopers
COMPONENT Detachments & C.I.B.

13 REQUEST FOR
NEW POSITION

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ANALYSIS (continued):

The FY-84 costs for the compliance unit are as follows:

100 Personal Services

1 - Insurance Compliance Unit Supervisor (Range 18, new classification)	49.5
2 - Hearing Officers (Range 16, new classification)	85.0
1 - Clerk V	31.3
4 - Clerk IV	112.8
1 - Microfilm Equipment Operator	29.6
TOTAL	308.2

200 Travel

Hearing Officers to travel to various cities to conduct suspension hearings	25.0
--	------

300 Contractual

310 - phones, tolls, postage	51.5
320 - forms, advertising, public notice	15.0
330 - headquarter's space lease (6,000 sq. ft.)	162.0
360 - equipment rental (4 AJIS terminals)	30.0
382a - DP Chargeback programming and maintenance	80.0
TOTAL	398.5

ANALYSIS (continued):

400 Commodities

Normal office supplies 25.0

500 Equipment

Office Equipment (9 employees) 27.0
Word Processing Station (Wang) 20.0
Microfilm Camera and Printer 40.0

TOTAL 87.0

Inflation for subsequent years if figured at the 6% level.

1.	POSITION TITLE Clerk IV				RANGE/STEP 9	BARC. UNIT CGU	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.			
3.	CONTINUATION LEVEL				JUSTIFICATION						
4.	TYPE OF EXPENDITURE				AMOUNT						
	1		2		3						
	PERSONAL SERVICES										
5.	Salary	1700	20.4								
6.	Benefits		3.6								
7.	Supplemental Benefits		1.3								
8.	Fixed Benefits		2.9								
9.	TOTAL PERSONAL SERVICES		01	28.2							
10.	Travel		02								
11.	Contractual		03	5.0							
12.	Commodities		04	1.0							
13.	Equipment		05	3.0							
14.	Other										
15.	TOTAL COST			37.2							
	RECEIPT CODE	FUNDING SOURCE									
16.		Federal Receipts 1002									
17.		G.F. Match 1003									
18.		General Funds 1004			37.2						
19.		I-A Receipts 1005									
20.		Program Receipts 1028									
21.		Other									
FOR BSM USE ONLY											
4A KEY NUMBER _____											

The state is required to suspend vehicle registrations and operator's licenses of those found to be operating a motor vehicle without liability insurance. The clerical functions associated with this are highly specialized in that the Clerk IV must be able to do detailed research in both motor vehicle and drivers records, must be familiar with different types of insurance policies, and must have a working knowledge of all motor vehicle laws.

Accuracy is essential in this work since the consequences of the unit's actions on individual citizens is great. The loss of vehicle and driving privileges is a harsh step and the possibility of error must be eliminated to avoid working hardships on innocent parties. To assist in record tracking and handling similar form correspondence, a Wang word processing unit will be used by the section.

Based on other states' experience, approximately 10% or 30,000 vehicle owners will try to circumvent or violate this law. The volume of records and correspondence with 30,000 cases annually will require a unit of 4 Clerk IVs.

13 REQUEST FOR
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1.	POSITION TITLE Clerk V				RANGE/STEP 11	BARG. UNIT CCU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PPT	STAFF MONTHS 12	RF NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1			2		3				
	PERSONAL SERVICES									
5.	Salary	1914		23.0						
6.	Benefits			4.0						
7.	Supplemental Benefits			1.4						
	Fixed Benefits			2.9						
9.	TOTAL PERSONAL SERVICES			01	31.3					
10.	Travel			02						
11.	Contractual			03	5.0					
12.	Commodities			04	1.0					
13.	Equipment			05	3.0					
14.	Other									
15.	TOTAL COST				40.3					
16.	RECEIPT CODE	FUNDING SOURCE								
		Federal Receipts 1002								
17.		C.F. Match 1003								
18.		General Funds 1004		40.3						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
		Other								
FOR D&M USE ONLY 4A KEY NUMBER _____										

Under the general supervision of the Insurance Compliance Unit Supervisor, this position will supervise the clerical section of this unit. The unit will perform checks on those suspected of being in violation of the insurance laws. The consequences of the actions of this section in suspending vehicle registrations and operator's licenses and complexity of the due process system require a high level of supervision and expertise.

The section supervisor must have a thorough knowledge of motor vehicle laws and forms and vehicle insurance practices and policies. This section will also schedule administrative hearings and the supervisor must coordinate these with the hearing officer's travel plans.

This position will be responsible for the final actions of the unit, and accuracy and good judgement are essential to ensure correct compliance with the insurance laws and to avoid hardships for innocent vehicle operators.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 PROGRAM Life and Property Protection
 DRU Driver/Vehicle Services
 COMPONENT Vehicle Services

FY 84

Page 9 of 12
 Revised Date _____

1.	*POSITION TITLE Hearing Officer				RANGE/STEP 16	BARC. UNIT CGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEC.		
3.	CONTINUATION LEVEL				ADDITION		JUSTIFICATION			
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary	2670	32.0							
6.	Benefits		5.6							
7.	Supplemental Benefits		2.0							
8.	Fixed Benefits		2.9							
9.	TOTAL PERSONAL SERVICES		01		42.5					
10.	Travel		02		10.0					
11.	Contractual		03		5.0					
12.	Commodities		04		2.0					
13.	Equipment		05		3.0					
14.	Other									
15.	TOTAL COST				62.5					
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		62.5						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR BSH USE ONLY										
4A KEY NUMBER _____										

The mandatory insurance bill requires the state to suspend vehicle registrations, plates, and operator's licenses for those people who operate a vehicle without the required liability insurance. Prior to taking any action of this type, the department must provide the person an opportunity for an administrative hearing (AS 28.05.131).

Using estimates based on other states' experience with mandatory insurance, there will only be a 90% compliance level. This means action will be taken on the remaining 10% or 30,000 uninsured vehicles. The hearing officer must travel to all areas of the state to administer the hearings. With this volume there will be two hearing officers required.

Due to the limited scope of the hearing items, it is not necessary to have an attorney in this position.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life and Property Protection
BRU Driver/Vehicle Services
COMPONENT Vehicle Services

FY 84

Page 10 of 12
Revised Date _____

1.	POSITION TITLE Insurance Compliance Unit Supervisor				RANGE/STEP '18	BARG. UNIT Sup.	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2		3						
	PERSONAL SERVICES									
5.	Salary	3143	37.7							
6.	Benefits		6.6							
7.	Supplemental Benefits		2.3							
8.	Fixed Benefits		2.9							
9.	TOTAL PERSONAL SERVICES		01	49.5						
10.	Travel		02	5.0						
11.	Contractual		03	5.0						
12.	Commodities		04	2.0						
13.	Equipment		05	3.0						
14.	Other									
15.	TOTAL COST			64.5						
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts 1002								
18.		G.F. Match 1003								
19.		General Funds 1004		64.5						
20.		I-A Receipts 1005								
21.		Program Receipts 1028								
		Other								
FOR USM USE ONLY										
4A KEY NUMBER _____										

The mandatory insurance laws require that the state take action against those who do not have liability insurance or those who cancel policies after registration. Administration of this program is the responsibility of the Insurance Compliance Unit. The Supervisor of this unit will act under the general direction of the Chief of Vehicle Services and will be responsible for the supervision of seven employees.

This position carries considerable authority in that this unit has the responsibility of suspending both vehicle registration and operator's licenses of violators. This will require close coordination with the insurance industry, the court system, and law enforcement agencies to ensure that appropriate and timely action is taken and that complete due process is given to the citizen.

The intent of the law is to have 100% compliance, however based on other states' experience, usually only 90% compliance is achieved. This will require some action be taken on 30,000 uninsured vehicles and their owners.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life and Property Protection
BRU Driver/Vehicle Services
COMPONENT Vehicle Services

FY 84

Page 11 of 12
Revised Date _____

1.	POSITION TITLE Microfilm Equipment Operator I				RANGE/STEP 10	BARC. UNIT GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1		2		3					
	PERSONAL SERVICES									
5.	Salary	1803	21.6							
6.	Benefits		3.8							
7.	Supplemental Benefits		1.3							
8.	Fixed Benefits		2.9							
9.	TOTAL PERSONAL SERVICES		01	29.6						
10.	Travel		02							
11.	Contractual		03	5.0						
12.	Commodities		04	4.0						
13.	Equipment		05	43.0						
14.	Other									
15.	TOTAL COST			118.8						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		118.8						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR I&M USE ONLY										
4A KEY NUMBER										

As a result of this bill, each vehicle operator must present some form of proof of insurance at the time of registration. This form is kept with the vehicle records which are microfilmed. Also the records of registration, suspensions, and all associated documents are microfilmed and kept with vehicle records. These forms and documents will represent a 20% increase in the documents presently maintained by the Vehicle Services Unit.

To accomodate this increased workload, a Microfilm Equipment Operator I is necessary to augment the present staff. Equipment associated with this position includes a microfilm camera and a reader-printer work station.

The microfilm retrieval system currently being used has proved cost effective in terms of labor savings and rapid response to filing needs. The high initial cost of equipment is soon offset by savings in labor and file storage costs.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life and Property Protection
BRU Driver/Vehicle Services
COMPONENT Vehicle Services

FY 84

Page 12 of 12
Revised Date

MSG 03-00012137 PRTY 1 04/08/87 10:36:37 ORIG: LAG: INF BULT
FROM: SHIRLEE AND LTD TO: PORS JUREAU INFO
TARGET: LUHL SUBJ: PDM

TO: REPRESENTATIVE HAYES, BARNES, PHILLIPS, FURNACE,
LINDAUER, ABOOD, UENLING, LISIA, COMDEY, DEBANSKI,
FRITZ, PESTINGER AND BUSSELL

JR

FROM: BOB NESTEL, P. O. BOX 1753, EAGLE RIVER 99577 W 294-4372

RE: HB 7

DIRECTOR OF INSURANCE NEM MOORE ADDRESSED THE ARCHONAGE PROPERTY
AND CASUALTY INSURANCE AGENTS RECENTLY CONCERNING THIS BILL. I
SUGGEST YOUR STAFF CONTACT MR MOORE AT 465-2515 FOR HIS INPUT.



D.W.
Rob

SG 83-00005093 PRTY 1 04/01/83 17:25:03 ORIG: LA01 IN= 0015 OUT= 0076
FROM: SHIRLEE ANC LIO TO: FOMS JUNEAU INFO
TARGET: LJHL SUBJ: FOM

4/1/83, SHIRLEE ANC LIO, 5093

TO: ALL MEMBERS, HOUSE OF REPRESENTATIVES

FROM: TAM AGOSTI-GISLER, 1718 LOGAN STREET, ANCHORAGE 99504
H 272-9227 W 243-1141

STRONGLY SUPPORT HOUSE BILL 7. HAVING BEEN INVOLVED IN
ANY ACCIDENTS WHERE UNINSURED DRIVER WAS AT FAULT, I
STRONGLY URGE YOU TO PASS THIS BILL.



83-00019128 PRT 1 05/19/83

FROM: SHIRLEE AND LEO
TARGET: LJHL SUBJ: PDM

TO: POMS JUNEAU INFO

ALL MEMBERS, ALASKA LEGISLATURE

FROM: ROBERT CHRISTIANSEN, 3605 ARCTIC BLVD., NO. 105
ANCHORAGE 99503, H 344-4809 W 563-3233

RE: HOUSE BILL 7 (AN ACT RE MOTOR VEHICLES; E.D.)

I DISAGREE WITH THIS BILL; IT IS AN UNJUSTIFIED INFRINGEMENT
ON MY RIGHTS AS A CITIZEN OF THE U.S.A. THE CONSTITUTION
GUARANTEES FREEDOM OF CHOICE. WE HAVE THE COURT SYSTEM TO
HANDLE CASES THAT INVOLVE INDIVIDUALS WITHOUT INSURANCE. THIS
BILL IS A TAX FORCED ON THE CITIZEN BY THE LEGISLATURE,
INFLUENCED BY THE INSURANCE LOBBYISTS.



Handwritten signature

MSG 83-00017082 PRY 1 05/12/83 10:28:06 ORIG: LA01 IN= 0002 OUT= 0022
FROM: SHIRLEE ANC LIO TO: POMS JUNEAU INFO
TARGET: LJHL SUBJ: POM

TO: ALL MEMBERS, ALASKA HOUSE OF REPRESENTATIVES
FROM: BEATRICE E. WATTS, 6610 SHERWOOD CIRCLE, ANCHORAGE 99504
H 333-4589 W 274-3576

PLEASE PASS HB 7 REQUIRING MANDATORY LIABILITY INSURANCE FOR
AUTOMOBILE DRIVERS.





5/6/83, JUNE, ANC LIO, MSG 15598

TO: ALL REPRESENTATIVES

FROM: JIM RHODES, 664 HIGHLANDER CIRCLE, ANCHORAGE, AK 99502
H- 349-7945 W- 274-3576

PLEASE SUPPORT HB 7, ONLY DRIVERS WHO ARE IRRESPONSIBLE WILL BE AFFECTED.
HB 7 WILL FORCE THEM TO PROVIDE COMPENSATION TO PEOPLE THEY INJURE.

FROM: ROGER E. HENDERSON, 1418 ST. GOTTHARD AVE., ANCHORAGE
(MAIL: 821 N ST., SUITE 102, ANCHORAGE 99501)
H 561-0509 2 272-1527

AMENDMENTS MADE LAST YEAR TO CHAPTER 38 OF TITLE 9 HAVE
SERIOUSLY HAMPERED ABILITY TO OBTAIN RELIEF IN OUR COURTS.
HOUSE BILL 326 CORRECTS DEFICIENCIES, AND I URGE YOU TO VOTE
FOR THIS BILL. I AM AN ATTORNEY IN PRIVATE PRACTICE, WITH
DIRECT EXPERIENCE WITH THE STATUTE IN QUESTION.

FROM: RONALD WEST, 8530 EAST 12TH, ANCHORAGE, AK
H- 333-5013 W- 278-9742

I URGE YOU TO VOTE FOR HB 326. THE PRESENT LAW VERY MUCH PENALIZES ALL
CREDITORS, PARTICULARLY THE SMALL CREDITOR AND BUSINESSMAN.

MSG 83-00015510 PRY 1 05/06/83 12:28:46 ORIG: LA07 IN= 0005 OUT= 0069
FROM: CAROL, ANCH TO: JUNEAU INFO, POM
TARGET: LJHL SUBJ: POM

TO: ALL MEMBERS OF THE HOUSE

FROM: KENT EDWARDS
2113 DUKE DRIVE
ANCHORAGE 99504 (H) 279-8059

HB7 MERITS YOUR SUPPORT. ACQUIRING INSURANCE BEFORE
JEOPARDIZING THE LIVES OF OTHERS ON OUR ROADS SHOULD BE PART OF
RESPONSIBLE CITIZENSHIP.

POUCH V
JUNEAU, ALASKA 99811
465-4990
PO Box 4-1325
ANCHORAGE, ALASKA 99509
248-1515



OR

CHAIRMAN
HOUSE JUDICIARY COMMITTEE
MEMBER
HOUSE RESOURCES COMMITTEE
MEMBER
SPECIAL COMMITTEE ON FISHERIES
MEMBER
LEGISLATIVE COUNCIL
MEMBER
ALASKA CODE REVISION COMMISSION

Representative Charlie Bussell

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

May 12, 1983

Ms. Diana E. Long
P. O. Box No. 2781
Palmer, AK 99645

Dear Ms. Long:

Thank you for your letter of May 3, 1983, expressing your concerns regarding mandatory automobile liability insurance.

House Bill 7 was introduced by Representatives Hayes, Barnes, Phillips, Furnace, Lindauer, Abood, Uehling, Liska, Cowdery, Szymanski, Fritz and Pestinger. This act would require evidence of motor vehicle liability insurance to be furnished to the Department of Public Safety when registering or renewing registration on a vehicle.

The Judiciary Committee began hearing HB 7 Monday, May 2, 1983, and passed it from Committee on Friday, May 6, 1983 - a near record for a piece of legislation such as this is.

Representative Adams is Chairman of the Finance Committee; this Committee will now be hearing HB 7.

Again, I appreciate your taking the time to write and become a part of the legislative process.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Evelyn J. Doane".

Representative Charlie Bussell
Chairman, Committee on Judiciary

CB:lyn

P.O. Box 2781
Palmer, AK 99645

May 3, 1983



The Honorable Charlie Bussell
Pouch V Mail Stop 3100
Juneau, AK 99811

Dear Representative Bussell:

I would like to urge positive action regarding mandatory automobile liability insurance, a plan now being reviewed by the House Judiciary Committee. I feel Alaska has reached the time where mandatory automobile liability insurance is a necessity.

An article in the Anchorage Times on May 3, 1983 stated, "Officials estimate that from 10% and 40% of all cars in Alaska are uninsured." Because I am employed by the State in the Division of Motor Vehicles I am probably aware of the need for mandatory insurance more so than most. I am constantly amazed at the vast numbers of people who do not have automobile liability insurance and my own guess is that 40% is a much closer estimate than 10%.

Last week two very dear friends of mine were seriously injured in an accident. The other party involved was not injured and did not have insurance. He was found at fault for the accident. As a result of this accident the father of a family of five is in the hospital with a broken neck and will not be able to work and support his family for several months. Luckily, his vehicle was fully covered by insurance. I can't help think how serious it could have been if he did not have insurance.

I also feel that a method whereby people must prove insurance coverage prior to registering their vehicle would be feasible. I have been told it works successfully in other states.

Again, I would like to urge positive action toward this matter. The opinions stated in this letter are my personal opinions only and not that of a State employee with the Division of Motor Vehicles.

Sincerely,

(Ms.) Diana E. Long

cc: Representative Ron Larson
Representative Barbara Lacher
Senator Jalmar Kerttula

*Judiciary Committee began
work here; HRS Monday
and passed it from committee
on Friday - A new record for
a piece of legislation such as
this is -*

H B

8



Alaska Judicial Council

NON-ATTORNEY MEMBERS
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BARBARA L. SCHUHMAN

CHAIRMAN, EX OFFICIO
EDMOND W. BURKE
CHIEF JUSTICE
SUPREME COURT

March 16, 1983

Representative Charlie Bussell
Chairman, House Judiciary Committee
State Capitol
Pouch 5
Juneau, AK 99811

RE: House Bill 8 and Senate Bill 84

Dear Representative Bussell:

The Alaska Judicial Council wishes to go on record in opposition to House Bill 8 and Senate Bill 84, both of which are currently under consideration by the Alaska State Legislature. Both bills would alter the number and size of election districts for judicial retention purposes and, thereby, the roles and responsibilities of the Judicial Council.

At the Council's meeting in Anchorage on February 15-16, 1983, Council members specified the following statutory, administrative and constitutional bases for its objections to the legislation:

Statutory Reasons:

- The difficulty of the Judicial Council determining, on the basis of vague language ("routinely and frequently"), whether a judge should be subject to election in districts other than the one in which he/she resides;
- The possible conflict created by requiring the Council to determine where a judge must run, while at the same time evaluating the judge for retention purposes.

Representative Charlie Bussell
March 16, 1983
Page two

Administrative Reasons

- The possibility that some voters, while within the jurisdiction of one Judicial District, would actually vote for retention purposes for the judge of another Judicial District;
- The confusion occasioned by using different election districts for retention elections than are used for general elections.

Constitutional Reasons

- The possibility that voters in whose election districts no Superior and/or District Court exists may be disenfranchised, either because the election district does not include a court, or because the district is served by one or more judges, none of whom hear matters "routinely or frequently" in such districts.

Should you or any member of your Committee wish to discuss the Council's position with regard to this legislation in further detail, please let me know. I would be pleased to appear before the committee to testify in opposition to this legislation at such time and place as may be convenient.

Thank you for the opportunity to present the Council's position on this matter.

Sincerely,



Francis L. Bremson
Executive Director

FLB/pjd

cc: Alaska Judicial Council

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3600

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 18, 1982

SUBJECT: Judicial retention elections -- HB 624

TO: Representative Ramona L. Barnes
Chairman, House Judiciary Committee

FROM: Richard A. Bradley
Legislative Counsel *B*

You have asked that I explain the provision of HB 624 that ties judicial retention election districts to the legislative election districts as they existed in 1959. Sec. 22.18.050(b) (as enacted in Sec. 1 of HB 624) provides:

(b) For purposes of the section, the judicial retention election districts of the state are the election districts as they are described in art. XIV of the state constitution as it existed on March 19, 1959.

March 19, 1959 has no particular significance in itself; it is merely the effective date of Chapter 50, SLA 1959, the Act that established the Alaska court system and became the basis for AS 22.

The source of the date is AS 22.10.010, the section providing for the "establishment of the superior court" and establishing the borders of the four judicial districts of the superior court. The language of the section establishes each judicial district with reference to identified election districts, "as said districts are described in art. XIV of the state constitution on March 19, 1959".

Ever since the Alaska court system was established, the jurisdiction of the superior court has been tied to the 1959 election district borders. While the districts for the election of members of the legislature have varied since then, no alteration of the borders of the four judicial districts has occurred.