

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6429 SENATE LABOR & COMMERCE

833

1 Sec. 28.22.201. GENERAL POLICY PROVISIONS. (a) The uninsured
2 and underinsured motorists coverage required under this chapter

3 (1) does not apply to bodily injury, sickness, disease, or
4 death of an insured or damage to or destruction of property of an
5 insured until the limits of liability bonds and policies that apply
6 have been used up by payments or judgments or settlements;

7 (2) must be a single combined coverage; and

8 (3) may be rejected by the insured in writing; if the
9 insured has rejected uninsured or underinsured coverage, the coverage
10 may not be included in a supplemental, renewal or replacement policy
11 unless the insured subsequently requests uninsured or underinsured
12 coverage in writing.

13 (b) If both the owner and operator of a vehicle are unknown,
14 payment under the uninsured and underinsured motorists coverage may be
15 made only where direct contact between the motor vehicles has occur-
16 red. A vehicle and operator that have left the scene of an accident
17 with another vehicle are presumed to be uninsured if the insured
18 person reports the accident to the appropriate authorities within 24
19 hours.

20 (c) The uninsured and underinsured motorists coverage for damage
21 to or destruction of property is subject to a deductible of \$250 in
22 any one accident, but the insurer may offer a deductible other than
23 \$250. This coverage shall be limited to damage to or destruction of
24 the covered motor vehicle. It may not include loss of use of such
25 vehicle.

26 Sec. 28.22.211. MAXIMUM LIABILITY OF CARRIER. (a) The maximum
27 liability of the insurance carrier under the uninsured and underin-
28 sured motorists coverage required under this chapter is the difference
29 between the coverage limit of liability and the amount paid

1 insured by or on behalf of the uninsured and underinsured motorist.

2 (b) Amounts payable under the uninsured motorists and underin-
3 sured motorists coverage required under this chapter shall be reduced
4 by

5 (1) amounts paid or to be paid under any workers' compensa-
6 tion law;

7 (2) amounts paid or payable under any valid and collectible
8 automobile medical payments insurance or bodily injury or death lia-
9 bility insurance; and

10 (3) amounts paid by or on behalf of the uninsured or under-
11 insured motorist.

12 Sec. 28.22.221. POLICY COVERAGE AND PRIORITIES. If an insured
13 is entitled to uninsured or underinsured motorists coverage under more
14 than one motor vehicle liability insurance policy, or under more than
15 one coverage if two or more vehicles are insured under one policy, the
16 maximum amount an insured may recover may not exceed the highest limit
17 of any one policy or coverage. Where multiple policies or coverages
18 apply, payment shall be made in the following order of priority,
19 subject to the limit of liability for each applicable policy or cover-
20 age:

21 (1) a policy or coverage covering a motor vehicle occupied
22 by the injured person at the time of the accident;

23 (2) a policy or coverage covering a motor vehicle that came
24 into contact with the insured while a pedestrian; and

25 (3) a policy or coverage covering a motor vehicle not
26 involved in the accident with respect to which the injured person is
27 an insured or a named insured.

28 Sec. 28.22.231. POLICY COVERAGE EXCLUSIONS. The uninsured and
29 underinsured motorists coverage required under this chapter does not

1 apply to bodily injury or death or damage to or destruction of pro-
2 perty of an insured

3 (1) while occupying a motor vehicle owned by, but not
4 insured by, the named insured or the insured's spouse or relative
5 residing in the same household; or

6 (2) through being struck by a vehicle owned by the named
7 insured or the insured's spouse or relative residing in the same
8 household.

9 ARTICLE 4. MISCELLANEOUS PROVISIONS.

10 Sec. 28.22.301. POLICY INTERPRETATION. A provision in this
11 chapter may not be interpreted to prohibit a motor vehicle liability
12 policy from including limitations, conditions, exceptions, exclusions,
13 or other provisions that do not violate the requirements of this
14 chapter or other applicable laws.

15 Sec. 28.22.311. DEFINITION. In this chapter, "motor vehicle
16 liability policy" means an owner's policy, an operator's policy, or a
17 personal policy that

18 (1) meets the requirements of AS 28.22.101; and

19 (2) is issued by an insurance carrier authorized to trans-
20 act business in the state to or for the benefit of the person named as
21 insured.

22 Sec. 28.22.321. SHORT TITLE. This chapter may be cited as the
23 Alaska Mandatory Automobile Insurance Act.

24 * Sec. 2. AS 21.36 is amended by adding a new section to read:

25 Sec. 21.36.045. NOTICE OF LIMITED MOTOR VEHICLE INSURANCE. (a)
26 An insurance policy that provides coverage only against property
27 damage to a motor vehicle and that does not provide liability coverage
28 required under AS 28.22.101(d) must contain the following statement
29 printed in bold face type: "This policy provides insurance only

1 against damage to the motor vehicle. This policy does not insure
2 against bodily injury, death, or property damage liability and does
3 not satisfy the mandatory motor vehicle liability insurance require-
4 ments of AS 28.22.011."

5 (b) If the insured under a policy described in (a) of this
6 section is not the owner of the motor vehicle, the insurer shall
7 provide a copy of the policy to the owner.

8 * Sec. 3. AS 21.89.020(a) is amended to read:

9 (a) An automobile liability policy that insures an owner or
10 operator of a motor vehicle against loss resulting from liability for
11 bodily injury or death, or for property injury or destruction, or
12 both, that is sold in the state, must [SHALL] contain limits in at
13 least the amount prescribed for a motor vehicle liability policy in
14 AS 28.20.440 or AS 28.22.101.

15 * Sec. 4. AS 21.89.020(a) is repealed and reenacted to read:

16 *This section is existing law + takes effect upon the repeal*
17 (a) An automobile liability policy that insures an owner or
18 operator of a motor vehicle against loss resulting from liability for
19 bodily injury or death, or for property injury or destruction, or
20 both, that is sold in the state, must contain limits in at least the
21 amount prescribed for a motor vehicle liability policy in AS 28.20.-
22 440.

22 * Sec. 5. AS 21.89.020(c) is amended to read:

23 (c) An insurance company offering automobile liability insurance
24 in this state for bodily injury or death shall offer coverage pre-
25 scribed in AS 28.20.440 and 28.20.445, or AS 28.22, with limits equal
26 to at least the limit purchased voluntarily to cover the insured
27 person's liability for bodily injury or death, for the protection of
28 the persons insured under the policy who are legally entitled to
29 recover damages for bodily injury or death from owners or operators of

1 uninsured or underinsured motor vehicles. The limit written may not
2 be less than the limit in AS 28.20.440 or AS 28.22.101.

3 * Sec. 6. AS 21.89.020(c) is repealed and reenacted to read:

4 This section is existing law + takes effect upon repeal
5 (c) An insurance company offering automobile liability insurance
6 in this state for bodily injury or death shall offer coverage pre-
7 scribed in AS 28.20.440 and 28.20.445, with limits equal to at least
8 the limit purchased voluntarily to cover the insured person's liabil-
9 ity for bodily injury or death, for the protection of the persons
10 insured under the policy who are legally entitled to recover damages
11 for bodily injury or death from owners or operators of uninsured or
12 underinsured motor vehicles. The limit written may not be less than
13 the limit in AS 28.20.440.

14 * Sec. 7. AS 21.89.020(d) is amended to read:

15 (d) An insurance company offering automobile liability insurance
16 in this state for injury to or destruction of property shall offer
17 coverage prescribed in AS 28.20.440 and 28.20.445, or AS 28.22, with
18 limits not less than those prescribed in AS 28.20.440 or AS 28.22.101,
19 to cover the insured person's liability for injury to or destruction
20 of property, for the protection of the persons insured under the
21 policy who are legally entitled to recover damages for injury to or
22 destruction of the covered motor vehicle from owners or operators of
23 uninsured or underinsured motor vehicles.

24 * Sec. 8. AS 21.89.020(d) is repealed and reenacted to read:

25 This section is existing law + takes effect upon repeal
26 (d) An insurance company offering automobile liability insurance
27 in this state for injury to or destruction of property shall offer
28 coverage prescribed in AS 28.20.440 and 28.20.445, with limits not
29 less than those prescribed in AS 28.20.440 to cover the insured per-
30 son's liability for injury to or destruction of property, for the
31 protection of the persons insured under the policy who are legally

1 entitled to recover damages for injury to or destruction of the
2 covered motor vehicle from owners or operators of uninsured or under-
3 insured motor vehicles.

4 * Sec. 9. AS 21.89.020 is amended by adding new subsections to read:

5 (f) An automobile liability insurance policy must provide

6 (1) that all expenses and fees, not including counsel fees,
7 incurred because of arbitration or mediation shall be paid as deter-
8 mined by the arbitrator;

9 (2) liability coverage in the amount set out in AS 28.22.-
10 101(d) for motor vehicles rented in the United States or Canada by a
11 person insured under the policy;

12 (3) physical damage coverage for motor vehicles rented in
13 the United States or Canada, if the policy provides physical damage
14 coverage; if the insured declines physical damage coverage the insurer
15 shall offer physical damage coverage for rented vehicles.

16 (g) An insurance company offering automobile liability in-
17 surance in this state shall offer a short term policy valid for no
18 more than seven days. The coverage available for the short term
19 policy must be comparable to coverage available for longer term
20 policies.

21 * Sec. 10. AS 21.89.020(f) is repealed and reenacted to read:

22 *This section takes effect upon repeal - Removes mandatory insurance*
23 (f) An automobile liability insurance policy must provide *references*

24 (1) that all expenses and fees, not including counsel fees,
25 incurred because of arbitration or mediation shall be paid as deter-
26 mined by the arbitrator;

27 (2) liability coverage for motor vehicles rented in the
28 United States or Canada by a person insured under the policy; ~~coverage~~
29 ~~required under this paragraph is primary if multiple coverage exists;~~

(3) physical damage coverage for motor vehicles rented in

This lang should
be removed. Drafting
error

Dept of Commerce,
recommends the change

Recommended
Change

1 the United States or Canada, if the policy provides physical damage
2 coverage; if the insured declines physical damage coverage the insurer
3 shall offer physical damage coverage for rented vehicles.

4 * Sec. 11. AS 28.10.021 is repealed and reenacted to read:

5 Sec. 28.10.021. APPLICATION FOR REGISTRATION. (a) The owner of
6 a vehicle subject to registration shall apply for registration under
7 this chapter by properly completing the form prescribed by the commis-
8 sioner under AS 28.05.041. Before the issuance of a certificate of
9 registration by the department, the owner shall

10 (1) pay all registration fees and taxes required under this
11 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
12 4481 (Internal Revenue Code of 1954);

13 (2) unless the owner qualifies as a self-insurer under
14 AS 28.20.400 or is exempted from obtaining liability insurance under
15 AS 28.22.011, certify to the department the existence of a motor
16 vehicle liability policy that complies with AS 28.22.011 for the
17 vehicle being registered; in this paragraph, "certify" means to indi-
18 cate by check-off on the vehicle registration form prescribed by the
19 department the existence of a policy of insurance, if a policy is
20 required at that time, and the intention to continue the policy or
21 obtain a policy as required by this subsection; and

22 (3) comply with other applicable statutes and regulations.

23 (b) At the time of application for registration or renewal of
24 registration, the department shall provide the applicant written
25 information explaining the state's financial responsibility and manda-
26 tory motor vehicle insurance laws and applicable penalties for failure
27 to comply with those laws.

28 (c) An employee of the department who processes an application
29 for registration or renewal of registration, other than an application

1 received by mail, shall ask the applicant orally whether the applicant
2 wishes to execute an anatomical gift. The department shall make known
3 to all applicants the procedure for executing a gift under AS 13.50
4 (Uniform Anatomical Gifts Act) by displaying posters in the offices in
5 which applications are taken, by providing a brochure or other written
6 information to each person who applies in person or by mail, and, if
7 requested, by providing oral advice.

8 * Sec. 12. AS 28.10.021(a) is repealed and reenacted to read:

9 *This section is existing law + takes effect upon repeal*
10 (a) The owner of a vehicle subject to registration shall apply
11 for registration under this chapter by properly completing the form
12 prescribed by the commissioner under AS 28.05.041. Before the issu-
13 ance of a certificate of registration by the department, the owner
14 shall

15 (1) pay all registration fees and taxes required under this
16 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
17 4481 (Internal Revenue Code of 1954); and

18 (2) comply with other applicable statutes and regulations.

19 * Sec. 13. AS 28.10.021(b) is repealed and reenacted to read:

20 *This section is existing law + takes effect upon repeal*
21 (b) At the time of application for registration or renewal of
22 registration, the department shall provide the applicant written
23 information explaining the state's financial responsibility law.

24 ** Sec. 14. AS 28.10.041(a) is amended to read:

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

26 (1) the application contains a false or fraudulent state-
27 ment;

28 (2) the applicant fails to furnish information required by
29 the department;

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

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

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

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

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

11 (8) the vehicle or applicant fails to comply with this
12 chapter or regulations implementing [AUTHORIZED BY] this section;

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

15 (10) the vehicle is subject to a state-approved local emis-
16 sion inspection program adopted by municipal ordinance under AS 46.-
17 03.210, and the vehicle does not meet the standards of that program,
18 unless the vehicle uses a fuel source that does not primarily emit
19 carbon monoxide;

20 (11) the applicant fails to certify to the department the
21 existence of a motor vehicle liability policy that complies with
22 AS 28.22.101 for the vehicle being registered unless the owner of the
23 vehicle qualifies as a self-insurer under AS 28.20.400 or is exempted
24 from obtaining liability insurance under AS 28.22.011.

25 * Sec. 15. AS 28.10.041(a) is repealed and reenacted to read:

26 This section is existing law + takes effect upon repeal

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

28 (1) the application contains a false or fraudulent state-
29 ment;

(2) the applicant fails to furnish information required by

1 the department;

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

4 (4) the vehicle is determined to be mechanically unsafe to
5 be driven or moved on a highway, vehicular way or area, or other
6 public property in the state;

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

11 (6) the registration of the vehicle has been suspended or
12 revoked for any reason under the laws of the state;

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

14 (8) the vehicle or applicant fails to comply with this
15 chapter or regulations implementing this section;

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

18 (10) the vehicle is subject to a state-approved local emis-
19 sion inspection program adopted by municipal ordinance under AS 46.-
20 03.210, and the vehicle does not meet the standards of that program,
21 unless the vehicle uses a fuel source that does not primarily emit
22 carbon monoxide.

23 * Sec. 16. AS 28.10.051 is amended by adding a new subsection to read:

24 (b) Unless the owner qualifies as a self-insurer under AS 28.-
25 20.400, or is exempted from obtaining liability insurance under
26 AS 28.22.011, the department may suspend or revoke the registration of
27 a vehicle that is not insured by a motor vehicle liability policy that
28 complies with AS 28.22.101.

29 * Sec. 17. AS 28.10.421(c) is amended to read:

1 (c) The annual registration fees under this subsection are
 2 imposed and are based upon the actual unladen weight as established by
 3 the manufacturer's advertised weight or upon the actual weight which
 4 the owner shall furnish, subject to the approval of the commissioner
 5 or the commissioner's representative, for a vehicle, including a motor
 6 vehicle pulling a trailer or semi-trailer, used or maintained for the
 7 transportation of passengers for hire, excepting taxicabs and buses
 8 under (b) of this section, or for the transportation of property for
 9 hire or for other commercial use, including a commercial vehicle such
 10 as a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambu-
 11 lance, and tractor, as follows:

- 12 (1) up to and including 5,000 pounds \$51 [\$50];
- 13 (2) more than 5,000 pounds to and including 12,000 pounds
 14 \$86 [\$85];
- 15 (3) more than 12,000 pounds to and including 18,000 pounds
 16 \$156 [\$155];
- 17 (4) more than 18,000 pounds \$221 [\$220].

18 * Sec. 18. AS 28.10.421 is amended by adding a new subsection to read:

19 (g) The fees collected by the department under this section
 20 shall be deposited in the general fund. The Department of Adminis-
 21 tration shall separately account for three percent of the fees col-
 22 lected under this section and deposited in the general fund. The
 23 annual estimated balance in the account may be used by the legislature
 24 to make appropriations for administration of AS 28.10.021(a) and
 25 AS 28.22 (Alaska Mandatory Automobile Insurance Act).

26 * Sec. 19. AS 28.10.421(g) is repealed and reenacted to read:

27 *Technical amendment that takes effect upon repeal*
 28 (g) The fees collected by the department under this section
 29 shall be deposited in the general fund. The Department of Adminis-
 30 tration shall separately account for three percent of the fees

1 collected under this section and deposited in the general fund. The
2 annual estimated balance in the account may be used by the legislature
3 to make appropriations for administration of AS 28.10.021(a).

4 * Sec. 20. AS 28.10.491(a) is amended to read:

5 (a) Upon conviction, a person is guilty of a felony who

6 (1) alters, forges, or counterfeits a certificate of title
7 or registration, or a registration plate, decal, tab, or sticker of
8 this or another jurisdiction;

9 (2) alters or forges an assignment of a certificate of
10 title or an assignment or release of a security interest on a certifi-
11 cate of title of this or another jurisdiction or on a form the depart-
12 ment prescribes;

13 (3) has possession of or uses a certificate of title or
14 registration, registration plate, decal, tab, or sticker of this or
15 another jurisdiction knowing it to have been altered, forged, or
16 counterfeited;

17 (4) wilfully removes or falsifies a vehicle identification
18 number;

19 (5) wilfully conceals or misrepresents the identity of a
20 vehicle or vehicle equipment;

21 (6) buys, receives, possesses, sells, or disposes of a
22 vehicle or vehicle equipment, knowing that a vehicle identification
23 number or equipment has been unlawfully removed or falsified;

24 (7) removes from the state a vehicle that [WHICH] is the
25 subject of a security interest created under AS 28.01 - 28.35 or under
26 AS 45.01 - 45.09, without the written consent of the secured party,
27 and with intent to defraud the secured party or the state; [OR]

28 (8) represents a motor vehicle or house trailer to be a new
29 vehicle and who sells or procures the sale of that motor vehicle as a

1 new vehicle without presenting a "manufacturer's statement of origin";
2 or [.]

3 (9) makes a false statement or otherwise conceals or with-
4 holds a material fact in an application for registration or certifi-
5 cate of title or falsely affirms with respect to a matter required to
6 be sworn to, affirmed, or furnished under this chapter or regulations
7 adopted under this chapter; except that a person who with criminal
8 negligence as defined in AS 11.81.900, falsely certifies to the de-
9 partment the existence of a motor vehicle liability insurance policy
10 under AS 28.10.021(a)(2), is guilty of a class A misdemeanor.

11 * Sec. 21. AS 28.10.491(a) is repealed and re enacted to read:
12 *This section is existing law and takes effect upon repeal*
13 (a) Upon conviction, a person is guilty of a felony who

14 (1) alters, forges, or counterfeits a certificate of title
15 or registration, or a registration plate, decal, tab, or sticker of
16 this or another jurisdiction;

17 (2) alters or forges an assignment of a certificate of
18 title or an assignment or release of a security interest on a certifi-
19 cate of title of this or another jurisdiction or on a form the depart-
20 ment prescribes;

21 (3) has possession of or uses a certificate of title or
22 registration, registration plate, decal, tab, or sticker of this or
23 another jurisdiction knowing it to have been altered, forged, or
24 counterfeited;

25 (4) wilfully removes or falsifies a vehicle identification
26 number;

27 (5) wilfully conceals or misrepresents the identity of a
28 vehicle or vehicle equipment;

29 (6) buys, receives, possesses, sells, or disposes of a
vehicle or vehicle equipment, knowing that a vehicle identification

1 number or equipment has been unlawfully removed or falsified;

2 (7) removes from the state a vehicle that is the subject of
3 a security interest created under AS 28.01 - 28.35 or under AS 45.01 -
4 45.09, without the written consent of the secured party, and with
5 intent to defraud the secured party or the state;

6 (8) represents a motor vehicle or house trailer to be a new
7 vehicle and who sells or procures the sale of that motor vehicle as a
8 new vehicle without presenting a "manufacturer's statement of origin";
9 or

10 (9) makes a false statement or otherwise conceals or with-
11 holds a material fact in an application for registration or certifi-
12 cate of title or falsely affirms with respect to a matter required to
13 be sworn to, affirmed, or furnished under this chapter or regulations
14 adopted under this chapter.

15 * Sec. 22. AS 28.15.061 is amended by adding a new subsection to read:

16 (f) At the time of application for a driver's license or an
17 instruction permit, or renewal of a driver's license or an instruction
18 permit, the department shall provide the applicant written information
19 explaining the state's financial responsibility and mandatory motor
20 vehicle insurance laws and potential penalties for failure to comply
21 with those laws.

22 * Sec. 23. AS 28.15.061(f) is repealed and re enacted to read:

23 *Technical amendment that takes effect upon repeal*
(f) At the time of application for a driver's license or an
24 instruction permit, or renewal of a driver's license or an instruction
25 permit, the department shall provide the applicant written information
26 explaining the state's financial responsibility law and potential
27 penalties for failure to comply with that law.

28 * Sec. 24. AS 28.15.081(a) is repealed and re enacted to read:

29 (a) The department shall examine every applicant for a driver's

1 license. The examination must include a test of the applicant's (1)
2 eyesight, (2) ability to read and understand official traffic control
3 devices, (3) knowledge of safe driving practices, (4) knowledge of the
4 effects of alcohol and drugs on drivers and the dangers of driving
5 under the influence of alcohol or drugs, (5) knowledge of the laws on
6 driving while intoxicated, (6) knowledge of the laws on financial
7 responsibility and mandatory motor vehicle liability insurance, and
8 (7) knowledge of the traffic laws and regulations of the state. The
9 examination may include a demonstration of ability to exercise ordi-
10 nary and reasonable control in the driving of a motor vehicle of the
11 type and general class of vehicles for which the applicant seeks a
12 license. However, an applicant who has not been previously issued a
13 driver's license by this or another jurisdiction shall demonstrate
14 ability and shall present medical information that the department
15 reasonably requires to determine fitness to safely drive a motor
16 vehicle of the type and general class of vehicles for which the appli-
17 cant seeks a license.

18 * Sec. 25. AS 28.15.081(a) is repealed and reenacted to read:

19 *This is existing law and takes effect upon repeal*

20 (a) The department shall examine every applicant for a driver's
21 license. The examination must include a test of the applicant's (1)
22 eyesight, (2) ability to read and understand official traffic control
23 devices, (3) knowledge of safe driving practices, (4) knowledge of the
24 effects of alcohol and drugs on drivers and the dangers of driving
25 under the influence of alcohol or drugs, (5) knowledge of the laws on
26 driving while intoxicated, (6) knowledge of the laws on financial
27 responsibility, and (7) knowledge of the traffic laws and regulations
28 of the state. The examination may include a demonstration of ability
29 to exercise ordinary and reasonable control in the driving of a motor
vehicle of the type and general class of vehicles for which the

1 applicant seeks a license. However, an applicant who has not been
2 previously issued a driver's license by this or another jurisdiction
3 shall demonstrate ability and shall present medical information that
4 the department reasonably requires to determine fitness to safely
5 drive a motor vehicle of the type and general class of vehicles for
6 which the applicant seeks a license.

7 * Sec. 26. AS 28.15.255(c) is amended to read:

8 (c) In this section, the term "proof of financial responsibility
9 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
10 230(b)] and may be established as provided in AS 28.20.

11 * Sec. 27. AS 28.20.400(a) is amended to read:

12 (a) A person in whose name more than 25 vehicles are registered
13 in this state may qualify as a self-insurer by obtaining a certificate
14 of self-insurance issued by the department as provided in (b) of this
15 section. A person in whose name fewer than 25 vehicles are registered
16 qualifies as a self-insurer and shall be issued a certificate of
17 self-insurance, if the person provides proof satisfactory to the
18 department that the person has and will continue to have the ability
19 to pay a judgment for property damage, bodily injury, or both, in the
20 amount of at least \$125,000.

21 * Sec. 28. AS 28.20.630 is amended to read:

22 Sec. 28.20.630. DEFINITIONS [DEFINITIONS]. In this chapter,
23 unless the context otherwise requires,

24 (1) "judgment" ["JUDGMENT"] means a judgment that [WHICH]
25 is final by expiration without appeal of the time within which an
26 appeal may be taken, or final by affirmation on appeal, given by a
27 court of a [ANY] state or of the United States, upon a cause of action
28 arising out of the ownership, maintenance, or use of a vehicle of a
29 type subject to registration under the laws of this state, for

1 damages, including damages for care and loss of services, because of
 2 bodily injury to or death of a person, or for damages because of
 3 injury to or destruction of property, including the loss of use of
 4 property, or upon a cause of action on an agreement of settlement for
 5 such damages;

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

10 * Sec. 29. Sections 2 and 9 of this Act apply to automobile liability
 11 insurance policies entered into or renewed on or after January 1, 1990.

12 * Sec. 30. AS 28.20.230(b) is repealed.

13 * Sec. 31. AS 21.36.045, AS 28.10.051(b), and AS 28.22 are repealed.

14 * Sec. 32. *Takes effect upon repeal of liability insurance* REPORT. The Department of Public Safety shall report to the
 15 legislature by the 30th day of the Second Session of the Seventeenth Alaska
 16 State Legislature on the effects of the Alaska Mandatory Automobile Insur-
 17 ance Act (AS 28.22). The report must include

18 (1) the percentage of persons involved in accidents who are
 19 adequately compensated for resulting personal injury or property damage
 20 under the Motor Vehicle Safety Responsibility Act (AS 28.20);

21 (2) the number of persons whose driver's license was suspended
 22 for failing to comply with the Alaska Mandatory Automobile Insurance Act
 23 (AS 28.22) and the disposition of those suspensions;

24 (3) the change, if any, in the percentage of uninsured drivers
 25 during the period beginning July 1, 1989, and ending December 31, 1991; and

26 (4) recommended legislative changes.

27 * Sec. 33. Sections 11, 14, and 17 of this Act take effect January 1,
 28 1990.

29 * Sec. 34. Sections 1, 2, 3, 5, 7, 9, 16, 18, 20, 22, 24, 26 - 30, and

Sec 32. Public
Safety will report
to leg by 12/31/91

Sec 31- Repealers
become effective
Jan 1, 1994
Mandatory insurance
requirement is
sunsetting at that
time

1 32 of this Act take effect immediately under AS 01.10.070(c).

2 * Sec. 35. Sections 4, 6, 8, 10, 12, 13, 15, 19, 21, 23, 25, and 31 of
3 this Act take effect January 1, 1994.

4 Delayed effective date.

5
6
7 Re-enacts
8 necessary laws
9 when mandatory
10 insurance is
11 sunsetted 11/1/99
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

6-0101J

Ford
3/15/89

Original sponsors: Donley, Boucher,
Gruenberg, et al.

Additions - Highlighted

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 44 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

10 * Section 1. AS 28 is amended by adding a new chapter to read:

11 CHAPTER 22. MANDATORY MOTOR VEHICLE INSURANCE.

12 ARTICLE 1. INSURANCE REQUIRED.

13 Sec. 28.22.011. MOTOR VEHICLE LIABILITY INSURANCE REQUIRED:
14 EXEMPTIONS. (a) The operator or owner of a motor vehicle subject to
15 registration under AS 28.10.011 when driven on a highway, vehicular
16 way or area, or on other public property in the state, shall be in-
17 sured under a motor vehicle liability policy that complies with this
18 chapter or a certificate of self-insurance that complies with AS 28.-
19 20.400 unless

20 (1) the motor vehicle is being driven or moved on a high-
21 way, vehicular way, or a public parking place in the state that is not
22 connected by a land highway or vehicular way to

23 (A) the land-connected state highway system, or

24 (B) a highway or vehicular way with an average daily
25 traffic volume greater than 499; and

26 (2) the operator has not been cited within the preceding
27 five years for a traffic law violation with a demerit point value of
28 six or more on the point schedule determined under regulations adopted
29 by the department under AS 28.15.221.

1 (b) The department shall annually publish a list of areas that
2 meet the requirements of (a)(1) of this section. This list shall be
3 available for public inspection at each office of the department.

4 (c) In this section, "operator" does not include

5 (1) an employee who operates, during the course and within
6 the scope of employment, a motor vehicle that is owned or leased by
7 the operator's employer; or

8 (2) an emergency service volunteer who operates, during the
9 course and within the scope of responding to an emergency, a motor
10 vehicle not owned by the volunteer.

11 Sec. 28.22.021. REQUIREMENT OF PROOF OF MOTOR VEHICLE LIABILITY
12 INSURANCE. The owner or operator of a motor vehicle required to have
13 motor vehicle liability insurance that complies with this chapter or a
14 certificate of self-insurance that complies with AS 28.20.400, shall
15 show proof of this insurance when that person is

16 (1) involved in an accident that results in bodily injury
17 to or death of a person, or damage to the property of a person exceed-
18 ing \$500; or

19 (2) charged with a traffic law violation with a demerit
20 point of six or more on the point schedule determined under regula-
21 tions adopted by the department under AS 28.15.221.

22 Sec. 28.22.031. METHOD OF PROOF FOLLOWING AN ACCIDENT. (a) A
23 person involved in an accident who is required under AS 28.22.021 to
24 prove that a motor vehicle liability policy or a certificate of self-
25 insurance was in effect shall, within 15 days after the accident,

26 (1) present a copy of the insurance policy, certificate,
27 bond, or insurance binder that was in effect at the time of the acci-
28 dent to the department for inspection;

29 (2) provide the department with written certification from

1 an insurance company, insurance agent, insurance broker or surplus
2 lines broker confirming that a valid motor vehicle liability policy
3 issued in conformity with this chapter was in effect at the time of
4 the accident; or

5 (3) advise the department in writing that a certificate of
6 self-insurance was in effect at the time of the accident.

7 (b) The department shall develop and implement a program to
8 check the veracity of the documents filed for proof under this sec-
9 tion.

10 Sec. 28.22.041. METHOD OF PROOF FOLLOWING A CHARGE OF A MOVING
11 TRAFFIC VIOLATION. (a) A person charged with a traffic law violation
12 who is required to prove that a motor vehicle liability insurance
13 policy or a certificate of self-insurance was in effect under AS 28.-
14 22.021 shall, at the time of that person's initial appearance in court
15 or within 15 days of the date of the charge of a traffic law viola-
16 tion, whichever is later,

17 (1) present a copy of the insurance policy, certificate,
18 bond, or insurance binder that was in effect at the time of the vio-
19 lation to the court for inspection;

20 (2) provide the court with written certification from an
21 insurance company, insurance agent, insurance broker, or surplus lines
22 broker confirming that motor vehicle liability insurance issued in
23 conformity with this chapter was in effect at the time of the viola-
24 tion; or

25 (3) advise the court in writing that a certificate of
26 self-insurance was in effect at the time the violation was charged.

27 (b) The court shall immediately report to the department a
28 failure to present proof of insurance as provided in this section.

29 Sec. 28.22.051. ADMINISTRATIVE SUSPENSION OF DRIVERS' LICENSES.

1 (a) If a person fails to provide proof required under AS 28.22.021 -
2 28.22.041, the department shall suspend the driver's license of that
3 person for the following periods:

4 (1) not less than 90 days if, within the preceding 10
5 years, the person has not had a driver's license suspended for vio-
6 lation of AS 28.22.011 or former AS 28.22.200;

7 (2) not less than one year if, within the preceding 10
8 years, the person has had a driver's license suspended one or more
9 times for violation of AS 28.22.011 or former AS 28.22.200.

10 (b) The suspension shall be consecutive to any other suspension
11 required by law or imposed by a court.

12 (c) The department may grant limited license privileges for work
13 purposes only to a person whose license has been suspended under this
14 section if

15 (1) the person has filed proof of financial responsibility
16 for the future as required by AS 28.22.071;

17 (2) the person's license has not been suspended two or more
18 times under this section or former AS 28.22.240 in the preceding 10
19 years;

20 (3) the department determines that the person's ability to
21 earn a livelihood would be severely impaired if a limited license
22 privilege is not granted; and

23 (4) the department determines that a limitation can be
24 placed on the license that will enable the person to earn a livelihood
25 without excessive danger to the public.

26 (d) When imposing a limitation under this section the department
27 shall

28 (1) require the surrender of the driver's license; and

29 (2) issue to the licensee a certificate valid for the

1 duration of the limitation.

2 (e) After the termination of a limitation as shown on the cer-
3 tificate issued under (d) of this section, the license of a person on
4 whom a limitation was imposed is suspended until the person receives a
5 new license under AS 28.15.211(c).

6 (f) The department shall notify the licensee that the suspension
7 becomes effective 30 days from the date of the notice and that the
8 licensee has the right, within the 30-day period, to make an oral or
9 written answer controverting any point or issue, or to present evi-
10 dence and arguments for the consideration of the department.

11 (g) Upon receipt of an oral or written answer from the licensee
12 the department shall make findings on the matter under consideration
13 within 15 days and shall notify the person involved of its decision in
14 writing by certified or registered mail. If the department's decision
15 is to sustain an action against the licensee's driver's license, the
16 department shall notify the licensee of the opportunity for a hearing
17 under AS 28.05.121 - 28.05.141. Suspension of a person's license is
18 stayed until final disposition of the hearing under this section.

19 Sec. 28.22.061. FALSIFICATION OF INFORMATION. A person who,
20 with criminal negligence as defined in AS 11.81.900, provides false
21 information required under AS 28.22.021 - 28.22.051 is guilty of a
22 class A misdemeanor.

23 Sec. 28.22.071. PROOF FOR THE FUTURE. (a) A person whose li-
24 cense is suspended under AS 28.22.051 shall file proof of financial
25 responsibility for the future under AS 28.20 before full driving
26 privileges may be restored or limited license privileges are granted
27 under AS 28.22.051(c).

28 (b) A filing of proof of financial responsibility under AS 28.20
29 shall be required for a period of three years following expiration of

1 the suspension of license under AS 28.22.051.

2 ARTICLE 2. GENERAL POLICY PROVISIONS.

3 Sec. 28.22.101. GENERAL COVERAGE REQUIREMENTS; POLICY LIMITS.

4 (a) An owner's motor vehicle liability policy must designate by
5 description or appropriate reference the motor vehicles that it covers
6 and insure the person named against loss from the liability imposed by
7 law for damages that arise from the ownership, maintenance, or use of
8 a designated motor vehicle.

9 (b) An operator's motor vehicle liability policy must insure the
10 person named as insured against loss from the liability imposed by law
11 for damages that arise from the use by the operator of a motor vehicle
12 not owned by the operator.

13 (c) A personal motor vehicle liability policy must insure the
14 person named as insured against loss from liability imposed by law for
15 damages that arise from the ownership, maintenance, or use by the
16 named person of a motor vehicle whether owned or not owned by the
17 person.

18 (d) A motor vehicle liability policy must provide coverage in
19 the United States or Canada, subject to limits exclusive of interest
20 and costs, with respect to each vehicle, as follows:

21 (1) \$50,000 because of bodily injury to or death of one
22 person in one accident, and, subject to the same limit for one person,
23 \$100,000 because of bodily injury to or death of two or more persons
24 in one accident; and

25 (2) \$25,000 because of injury to or destruction of property
26 of others in one accident.

27 (e) A motor vehicle liability policy must provide coverage under
28 AS 28.22.201 - 28.22.231 in the amounts set out in (d) of this section
29 for the protection of the persons insured under the policy who are

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

legally entitled to recover damages from the owner or operator of an uninsured or underinsured motor vehicle because of bodily injury or death, or damage to or destruction of property arising out of the ownership, maintenance, or use of the uninsured or underinsured motor vehicle.

(f) A motor vehicle liability policy must state the name and address of the named insured and meet the requirements of AS 21.42.160 - 21.42.170. In the absence of specific contract language or endorsement, the motor vehicle liability policy issued for a person in this state is presumed to meet the minimum requirements of (d) of this section.

Sec. 28.22.111. POLICY PROVISIONS THAT ARE IMPLIED. A motor vehicle liability policy is subject to the following provisions which do not need to be set out in the policy:

(1) satisfaction by the insured of a judgment for injury or damages is not a condition precedent to the right or duty of the insurance carrier to make payment on account of injury or damage;

(2) the insurance carrier may settle a claim covered by the policy, and if settlement is made in good faith, the amount of settlement is deductible from the limits of liability specified in AS 28.22.101;

(3) the policy, the written application for the policy, if any, and every rider or endorsement that does not conflict with the provisions of this chapter constitute the entire contract between the parties.

Sec. 28.22.121. EXCESS OR ADDITIONAL COVERAGE. (a) A policy that grants the coverage required for a motor vehicle liability policy may also grant lawful coverage in excess of or in addition to the coverage specified for a policy and the excess or additional coverage

1 is not subject to the provisions of this chapter. With respect to a
2 policy that grants excess or additional coverage, the term "motor
3 vehicle liability policy" applies only to that part of the coverage
4 that is required by this chapter.

5 (b) A policy is excluded from the application of this chapter if
6 the automobile or motor vehicle liability coverage is provided only on
7 an excess or umbrella basis.

8 Sec. 28.22.131. PRORATION. A motor vehicle liability policy may
9 provide for proration of the insurance with other valid and collect-
10 ible insurance.

11 Sec. 28.22.141. OTHER REQUIREMENTS OF POLICY. (a) A policy is
12 not effective under AS 28.22.101 unless it is issued by an insurance
13 company or surety company authorized to do business in this state,
14 except as provided in (b) of this section.

15 (b) A policy is not effective under AS 28.22.101 with respect to
16 a vehicle not registered in the state or a vehicle that was registered
17 in another jurisdiction on the effective date of the policy or the
18 most recent renewal of it, unless the insurance or surety company
19 issuing the policy is authorized to do business in the state, or if
20 the company is not authorized to do business in the state, unless it
21 executes a power of attorney authorizing the director of the division
22 of insurance to accept service of process on its behalf in an action
23 upon the policy arising out of the accident.

24 (c) The requirements for a motor vehicle liability policy may be
25 fulfilled by the policies of one or more insurance carriers that to-
26 gether meet the requirements.

27 (d) A binder issued pending the issuance of a motor vehicle
28 liability policy fulfills the requirements for a policy.

29 ARTICLE 3. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE.

1 Sec. 28.22.201. GENERAL POLICY PROVISIONS. (a) The uninsured
2 and underinsured motorists coverage required under this chapter

3 (1) does not apply to bodily injury, sickness, disease, or
4 death of an insured or damage to or destruction of property of an
5 insured until the limits of liability bonds and policies that apply
6 have been used up by payments or judgments or settlements;

7 (2) must be a single combined coverage; and

8 (3) may be rejected by the insured in writing; if the
9 insured has rejected uninsured or underinsured coverage, the coverage
10 may not be included in a supplemental, renewal or replacement policy
11 unless the insured subsequently requests uninsured or underinsured
12 coverage in writing.

13 (b) If both the owner and operator of a vehicle are unknown,
14 payment under the uninsured and underinsured motorists coverage may be
15 made only where direct contact between the motor vehicles has occur-
16 red. A vehicle and operator that have left the scene of an accident
17 with another vehicle are presumed to be uninsured if the insured
18 person reports the accident to the appropriate authorities within 24
19 hours.

20 (c) The uninsured and underinsured motorists coverage for damage
21 to or destruction of property is subject to a deductible of \$250 in
22 any one accident, but the insurer may offer a deductible other than
23 \$250. This coverage shall be limited to damage to or destruction of
24 the covered motor vehicle. It may not include loss of use of such
25 vehicle.

26 Sec. 28.22.211. MAXIMUM LIABILITY OF CARRIER. (a) The maximum
27 liability of the insurance carrier under the uninsured and underin-
28 sured motorists coverage required under this chapter is the difference
29 between the coverage limit of liability and the amount paid to the

1 insured by or on behalf of the uninsured and underinsured motorist.

2 (b) Amounts payable under the uninsured motorists and underin-
3 sured motorists coverage required under this chapter shall be reduced
4 by

5 (1) amounts paid or to be paid under any workers' compensa-
6 tion law;

7 (2) amounts paid or payable under any valid and collectible
8 automobile medical payments insurance or bodily injury or death lia-
9 bility insurance; and

10 (3) amounts paid by or on behalf of the uninsured or under-
11 insured motorist.

12 Sec. 28.22.221. POLICY COVERAGE AND PRIORITIES. If an insured
13 is entitled to uninsured or underinsured motorists coverage under more
14 than one motor vehicle liability insurance policy, or under more than
15 one coverage if two or more vehicles are insured under one policy, the
16 maximum amount an insured may recover may not exceed the highest limit
17 of any one policy or coverage. Where multiple policies or coverages
18 apply, payment shall be made in the following order of priority,
19 subject to the limit of liability for each applicable policy or cover-
20 age:

21 (1) a policy or coverage covering a motor vehicle occupied
22 by the injured person at the time of the accident;

23 (2) a policy or coverage covering a motor vehicle that came
24 into contact with the insured while a pedestrian; and

25 (3) a policy or coverage covering a motor vehicle not
26 involved in the accident with respect to which the injured person is
27 an insured or a named insured.

28 Sec. 28.22.231. POLICY COVERAGE EXCLUSIONS. The uninsured and
29 underinsured motorists coverage required under this chapter does not

1 apply to bodily injury or death or damage to or destruction of pro-
2 perty of an insured

3 (1) while occupying a motor vehicle owned by, but not
4 insured by, the named insured or the insured's spouse or relative
5 residing in the same household; or

6 (2) through being struck by a vehicle owned by the named
7 insured or the insured's spouse or relative residing in the same
8 household.

9 ARTICLE 4. MISCELLANEOUS PROVISIONS.

10 Sec. 28.22.301. POLICY INTERPRETATION. A provision in this
11 chapter may not be interpreted to prohibit a motor vehicle liability
12 policy from including limitations, conditions, exceptions, exclusions,
13 or other provisions that do not violate the requirements of this
14 chapter or other applicable laws.

15 Sec. 28.22.311. DEFINITION. In this chapter, "motor vehicle
16 liability policy" means an owner's policy, an operator's policy, or a
17 personal policy that

18 (1) meets the requirements of AS 28.22.101; and

19 (2) is issued by an insurance carrier authorized to trans-
20 act business in the state to or for the benefit of the person named as
21 insured.

22 Sec. 28.22.321. SHORT TITLE. This chapter may be cited as the
23 Alaska Mandatory Automobile Insurance Act.

24 * Sec. 2. AS 21.36 is amended by adding a new section to read:

25 Sec. 21.36.045. NOTICE OF LIMITED MOTOR VEHICLE INSURANCE. (a)
26 An insurance policy that provides coverage only against property
27 damage to a motor vehicle and that does not provide liability coverage
28 required under AS 28.22.101(d) must contain the following statement
29 printed in bold face type: "This policy provides insurance only

1 against damage to the motor vehicle. This policy does not insure
2 against bodily injury, death, or property damage liability and does
3 not satisfy the mandatory motor vehicle liability insurance require-
4 ments of AS 28.22.011."

5 (b) If the insured under a policy described in (a) of this
6 section is not the owner of the motor vehicle, the insurer shall
7 provide a copy of the policy to the owner.

8 * Sec. 3. AS 21.89.020(a) is amended to read:

9 (a) An automobile liability policy that insures an owner or
10 operator of a motor vehicle against loss resulting from liability for
11 bodily injury or death, or for property injury or destruction, or
12 both, that is sold in the state, must [SHALL] contain limits in at
13 least the amount prescribed for a motor vehicle liability policy in
14 AS 28.20.440 or AS 28.22.101.

15 * Sec. 4. AS 21.89.020(a) is repealed and reenacted to read:

16 (a) An automobile liability that insures an owner or
17 operator of a motor vehicle against loss resulting from liability for
18 bodily injury or death, or for property injury or destruction, or
19 both, that is sold in the state, must contain limits in at least the
20 amount prescribed for a motor vehicle liability policy in AS 28.20.-
21 440.

22 * Sec. 5. AS 21.89.020(c) is amended to read:

23 (c) An insurance company offering automobile liability insurance
24 in this state for bodily injury or death shall offer coverage pre-
25 scribed in AS 28.20.440 and 28.20.445, or AS 28.22, with limits equal
26 to at least the limit purchased voluntarily to cover the insured
27 person's liability for bodily injury or death, for the protection of
28 the persons insured under the policy who are legally entitled to
29 recover damages for bodily injury or death from owners or operators of

1 uninsured or underinsured motor vehicles. The limit written may not
2 be less than the limit in AS 28.20.440 or AS 28.22.101.

3 * Sec. 6. AS 21.89.020(c) is repealed and reenacted to read:

4 (c) An insurance company offering automobile liability insurance
5 in this state for bodily injury or death shall offer coverage pre-
6 scribed in AS 28.20.440 and 28.20.445, with limits equal to at least
7 the limit purchased voluntarily to cover the insured person's liabil-
8 ity for bodily injury or death, for the protection of the persons
9 insured under the policy who are legally entitled to recover damages
10 for bodily injury or death from owners or operators of uninsured or
11 underinsured motor vehicles. The limit written may not be less than
12 the limit in AS 28.20.440.

13 * Sec. 7. AS 21.89.020(d) is amended to read:

14 (d) An insurance company offering automobile liability insurance
15 in this state for injury to or destruction of property shall offer
16 coverage prescribed in AS 28.20.440 and 28.20.445, or AS 28.22, with
17 limits not less than those prescribed in AS 28.20.440 or AS 28.22.101,
18 to cover the insured person's liability for injury to or destruction
19 of property, for the protection of the persons insured under the
20 policy who are legally entitled to recover damages for injury to or
21 destruction of the covered motor vehicle from owners or operators of
22 uninsured or underinsured motor vehicles.

23 * Sec. 8. AS 21.89.020(d) is repealed and reenacted to read:

24 (d) An insurance company offering automobile liability insurance
25 in this state for injury to or destruction of property shall offer
26 coverage prescribed in AS 28.20.440 and 28.20.445, with limits not
27 less than those prescribed in AS 28.20.440 to cover the insured per-
28 son's liability for injury to or destruction of property, for the
29 protection of the persons insured under the policy who are legally

1 entitled to recover damages for injury to or destruction of the
2 covered motor vehicle from owners or operators of uninsured or under-
3 insured motor vehicles.

4 * Sec. 9. AS 21.89.020 is amended by adding new subsections to read:

5 (f) An automobile liability insurance policy must provide

6 (1) that all expenses and fees, not including counsel fees,
7 incurred because of arbitration or mediation shall be paid as deter-
8 mined by the arbitrator;

9 (2) liability coverage in the amount set out in AS 28.22.-
10 101(d) for motor vehicles rented in the United States or Canada by a
11 person insured under the policy; ~~coverage required under this para-~~
12 ~~graph is primary if multiple coverage exists;~~

13 (3) physical damage coverage for motor vehicles rented in
14 the United States or Canada, if the policy provides physical damage
15 coverage; if the insured declines physical damage coverage the insurer
16 shall offer physical damage coverage for rented vehicles.

17 (g) An insurance company offering automobile liability insurance
18 in this state shall offer a short term policy valid for no more than
19 seven days. The coverage available for the short term policy must be
20 comparable to coverage available for longer term policies.

21 * Sec. 10. AS 21.89.020(f) is repealed and reenacted to read:

22 (f) An automobile liability insurance policy must provide

23 (1) that all expenses and fees, not including counsel fees,
24 incurred because of arbitration or mediation shall be paid as deter-
25 mined by the arbitrator;

26 (2) liability coverage for motor vehicles rented in the
27 United States or Canada by a person insured under the policy; coverage
28 required under this paragraph is primary if multiple coverage exists;

29 (3) physical damage coverage for motor vehicles rented in

1 the United States or Canada, if the policy provides physical damage
2 coverage; if the insured declines physical damage coverage the insurer
3 shall offer physical damage coverage for rented vehicles.

4 * Sec. 11. AS 28.10.021 is repealed and reenacted to read:

5 Sec. 28.10.021. APPLICATION FOR REGISTRATION. (a) The owner of
6 a vehicle subject to registration shall apply for registration under
7 this chapter by properly completing the form prescribed by the commis-
8 sioner under AS 28.05.041. Before the issuance of a certificate of
9 registration by the department, the owner shall

10 (1) pay all registration fees and taxes required under this
11 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
12 4481 (Internal Revenue Code of 1954);

13 (2) unless the owner qualifies as a self-insurer under
14 AS 28.20.400 or is exempted from obtaining liability insurance under
15 AS 28.22.011, certify to the department the existence of a motor
16 vehicle liability policy that complies with AS 28.22.011 for the
17 vehicle being registered; in this paragraph, "certify" means to indi-
18 cate by check-off on the vehicle registration form prescribed by the
19 department the existence of a policy of insurance, if a policy is
20 required at that time, and the intention to continue the policy or
21 obtain a policy as required by this subsection; and

22 (3) comply with other applicable statutes and regulations.

23 (b) At the time of application for registration or renewal of
24 registration, the department shall provide the applicant written
25 information explaining the state's financial responsibility and manda-
26 tory motor vehicle insurance laws and applicable penalties for failure
27 to comply with those laws.

28 (c) An employee of the department who processes an application
29 for registration or renewal of registration, other than an application

1 received by mail, shall ask the applicant orally whether the applicant
2 wishes to execute an anatomical gift. The department shall make known
3 to all applicants the procedure for executing a gift under AS 13.50
4 (Uniform Anatomical Gifts Act) by displaying posters in the offices in
5 which applications are taken, by providing a brochure or other written
6 information to each person who applies in person or by mail, and, if
7 requested, by providing oral advice.

8 * Sec. 12. AS 28.10.021(a) is repealed and reenacted to read:

9 (a) The owner of a vehicle subject to registration shall apply
10 for registration under this chapter by properly completing the form
11 prescribed by the commissioner under AS 28.05.041. Before the issu-
12 ance of a certificate of registration by the department, the owner
13 shall

14 (1) pay all registration fees and taxes required under this
15 chapter and federal heavy vehicle use taxes required under 26 U.S.C.
16 4481 (Internal Revenue Code of 1954); and

17 (2) comply with other applicable statutes and regulations.

18 * Sec. 13. AS 28.10.021(b) is repealed and reenacted to read:

19 (b) At the time of application for registration or renewal of
20 registration, the department shall provide the applicant written
21 information explaining the state's financial responsibility law.

22 * Sec. 14. AS 28.10.041(a) is amended to read:

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

24 (1) the application contains a false or fraudulent state-
25 ment;

26 (2) the applicant fails to furnish information required by
27 the department;

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

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

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

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

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

11 (8) the vehicle or applicant fails to comply with this
12 chapter or regulations implementing [AUTHORIZED BY] this section;

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

15 (10) the vehicle is subject to a state-approved local emis-
16 sion inspection program adopted by municipa! ordinance under AS 46.-
17 03.210, and the vehicle does not meet the standards of that program,
18 unless the vehicle uses a fuel source that does not primarily emit
19 carbon monoxide;

20 (11) the applicant fails to certify to the department the
21 existence of a motor vehicle liability policy that complies with
22 AS 28.22.101 for the vehicle being registered unless the owner of the
23 vehicle qualifies as a self-insurer under AS 28.20.400 or is exempted
24 from obtaining liability insurance under AS 28.22.011.

25 * Sec. 15. AS 28.10.041(a) is repealed and reenacted to read:

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

27 (1) the application contains a false or fraudulent state-
28 ment;

29 (2) the applicant fails to furnish information required by

1 the department;

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

4 (4) the vehicle is determined to be mechanically unsafe to
5 be driven or moved on a highway, vehicular way or area, or other
6 public property in the state;

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

11 (6) the registration of the vehicle has been suspended or
12 revoked for any reason under the laws of the state;

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

14 (8) the vehicle or applicant fails to comply with this
15 chapter or regulations implementing this section;

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

18 (10) the vehicle is subject to a state-approved local emis-
19 sion inspection program adopted by municipal ordinance under AS 46.-
20 03.210, and the vehicle does not meet the standards of that program,
21 unless the vehicle uses a fuel source that does not primarily emit
22 carbon monoxide.

23 * Sec. 16. AS 28.10.051 is amended by adding a new subsection to read:

24 (b) Unless the owner qualifies as a self-insurer under AS 28.-
25 20.400, or is exempted from obtaining liability insurance under
26 AS 28.22.011, the department may suspend or revoke the registration of
27 a vehicle that is not insured by a motor vehicle liability policy that
28 complies with AS 28.22.101.

29 * Sec. 17. AS 28.10.421(c) is amended to read:

1 (c) The annual registration fees under this subsection are
 2 imposed and are based upon the actual unladen weight as established by
 3 the manufacturer's advertised weight or upon the actual weight which
 4 the owner shall furnish, subject to the approval of the commissioner
 5 or the commissioner's representative, for a vehicle, including a motor
 6 vehicle pulling a trailer or semi-trailer, used or maintained for the
 7 transportation of passengers for hire, excepting taxicabs and buses
 8 under (b) of this section, or for the transportation of property for
 9 hire or for other commercial use, including a commercial vehicle such
 10 as a trailer, semi-trailer, truck, wrecker, tow car, hearse, ambu-
 11 lance, and tractor, as follows:

- 12 (1) up to and including 5,000 pounds \$51 [\$50];
- 13 (2) more than 5,000 pounds to and including 12,000 pounds
- 14 \$86 [\$85];
- 15 (3) more than 12,000 pounds to and including 18,000 pounds
- 16 \$156 [\$155];
- 17 (4) more than 18,000 pounds \$221 [\$220].

18 * Sec. 18. AS 28.10.421 is amended by adding a new subsection to read:

19 (g) The fees collected by the department under this section
 20 shall be deposited in the general fund. The Department of Adminis-
 21 tration shall separately account for three percent of the fees col-
 22 lected under this section and deposited in the general fund. The
 23 annual estimated balance in the account may be used by the legislature
 24 to make appropriations for administration of AS 28.10.021(a) and
 25 AS 28.22 (Alaska Mandatory Automobile Insurance Act).

26 * Sec. 19. AS 28.10.421(g) is repealed and reenacted to read:

27 (g) The fees collected by the department under this section
 28 shall be deposited in the general fund. The Department of Adminis-
 29 tration shall separately account for three percent of the fees

1 collected under this section and deposited in the general fund. The
2 annual estimated balance in the account may be used by the legislature
3 to make appropriations for administration of AS 28.10.021(a).

4 * Sec. 20. AS 28.10.491(a) is amended to read:

5 (a) Upon conviction, a person is guilty of a felony who

6 (1) alters, forges, or counterfeits a certificate of title
7 or registration, or a registration plate, decal, tab, or sticker of
8 this or another jurisdiction;

9 (2) alters or forges an assignment of a certificate of
10 title or an assignment or release of a security interest on a certifi-
11 cate of title of this or another jurisdiction or on a form the depart-
12 ment prescribes;

13 (3) has possession of or uses a certificate of title or
14 registration, registration plate, decal, tab, or sticker of this or
15 another jurisdiction knowing it to have been altered, forged, or
16 counterfeited;

17 (4) wilfully removes or falsifies a vehicle identification
18 number;

19 (5) wilfully conceals or misrepresents the identity of a
20 vehicle or vehicle equipment;

21 (6) buys, receives, possesses, sells, or disposes of a
22 vehicle or vehicle equipment, knowing that a vehicle identification
23 number or equipment has been unlawfully removed or falsified;

24 (7) removes from the state a vehicle that [WHICH] is the
25 subject of a security interest created under AS 28.01 - 28.35 or under
26 AS 45.01 - 45.09, without the written consent of the secured party,
27 and with intent to defraud the secured party or the state; [OR]

28 (8) represents a motor vehicle or house trailer to be a new
29 vehicle and who sells or procures the sale of that motor vehicle as a

1 new vehicle without presenting a "manufacturer's statement of origin";
2 or [.]

3 (9) makes a false statement or otherwise conceals or with-
4 holds a material fact in an application for registration or certifi-
5 cate of title or falsely affirms with respect to a matter required to
6 be sworn to, affirmed, or furnished under this chapter or regulations
7 adopted under this chapter; except that a person who with criminal
8 negligence as defined in AS 11.81.900, falsely certifies to the de-
9 partment the existence of a motor vehicle liability insurance policy
10 under AS 28.10.021(a)(2), is guilty of a class A misdemeanor.

11 * Sec. 21. AS 28.10.491(a) is repealed and reenacted to read:

12 (a) Upon conviction, a person is guilty of a felony who

13 (1) alters, forges, or counterfeits a certificate of title
14 or registration, or a registration plate, decal, tab, or sticker of
15 this or another jurisdiction;

16 (2) alters or forges an assignment of a certificate of
17 title or an assignment or release of a security interest on a certifi-
18 cate of title of this or another jurisdiction or on a form the depart-
19 ment prescribes;

20 (3) has possession of or uses a certificate of title or
21 registration, registration plate, decal, tab, or sticker of this or
22 another jurisdiction knowing it to have been altered, forged, or
23 counterfeited;

24 (4) wilfully removes or falsifies a vehicle identification
25 number;

26 (5) wilfully conceals or misrepresents the identity of a
27 vehicle or vehicle equipment;

28 (6) buys, receives, possesses, sells, or disposes of a
29 vehicle or vehicle equipment, knowing that a vehicle identification

1 number or equipment has been unlawfully removed or falsified;

2 (7) removes from the state a vehicle that is the subject of
3 a security interest created under AS 28.01 - 28.35 or under AS 45.01 -
4 45.09, without the written consent of the secured party, and with
5 intent to defraud the secured party or the state;

6 (8) represents a motor vehicle or house trailer to be a new
7 vehicle and who sells or procures the sale of that motor vehicle as a
8 new vehicle without presenting a "manufacturer's statement of origin";
9 or

10 (9) makes a false statement or otherwise conceals or with-
11 holds a material fact in an application for registration or certifi-
12 cate of title or falsely affirms with respect to a matter required to
13 be sworn to, affirmed, or furnished under this chapter or regulations
14 adopted under this chapter.

15 * Sec. 22. AS 28.15.061 is amended by adding a new subsection to read:

16 (f) At the time of application for a driver's license or an
17 instruction permit, or renewal of a driver's license or an instruction
18 permit, the department shall provide the applicant written information
19 explaining the state's financial responsibility and mandatory motor
20 vehicle insurance laws and potential penalties for failure to comply
21 with those laws.

22 * Sec. 23. AS 28.15.061(f) is repealed and reenacted to read:

23 (f) At the time of application for a driver's license or an
24 instruction permit, or renewal of a driver's license or an instruction
25 permit, the department shall provide the applicant written information
26 explaining the state's financial responsibility law and potential
27 penalties for failure to comply with that law.

28 * Sec. 24. AS 28.15.081(a) is repealed and reenacted to read:

29 (a) The department shall examine every applicant for a driver's

1 license. The examination must include a test of the applicant's (1)
2 eyesight, (2) ability to read and understand official traffic control
3 devices, (3) knowledge of safe driving practices, (4) knowledge of the
4 effects of alcohol and drugs on drivers and the dangers of driving
5 under the influence of alcohol or drugs, (5) knowledge of the laws on
6 driving while intoxicated, (6) knowledge of the laws on financial
7 responsibility and mandatory motor vehicle liability insurance, and
8 (7) knowledge of the traffic laws and regulations of the state. The
9 examination may include a demonstration of ability to exercise ordi-
10 nary and reasonable control in the driving of a motor vehicle of the
11 type and general class of vehicles for which the applicant seeks a
12 license. However, an applicant who has not been previously issued a
13 driver's license by this or another jurisdiction shall demonstrate
14 ability and shall present medical information that the department
15 reasonably requires to determine fitness to safely drive a motor
16 vehicle of the type and general class of vehicles for which the appli-
17 cant seeks a license.

18 * Sec. 25. AS 28.15.081(a) is repealed and reenacted to read:

19 (a) The department shall examine every applicant for a driver's
20 license. The examination must include a test of the applicant's (1)
21 eyesight, (2) ability to read and understand official traffic control
22 devices, (3) knowledge of safe driving practices, (4) knowledge of the
23 effects of alcohol and drugs on drivers and the dangers of driving
24 under the influence of alcohol or drugs, (5) knowledge of the laws on
25 driving while intoxicated, (5) knowledge of the laws on financial
26 responsibility, and (7) knowledge of the traffic laws and regulations
27 of the state. The examination may include a demonstration of ability
28 to exercise ordinary and reasonable control in the driving of a motor
29 vehicle of the type and general class of vehicles for which the

1 applicant seeks a license. However, an applicant who has not been
2 previously issued a driver's license by this or another jurisdiction
3 shall demonstrate ability and shall present medical information that
4 the department reasonably requires to determine fitness to safely
5 drive a motor vehicle of the type and general class of vehicles for
6 which the applicant seeks a license.

7 * Sec. 26. AS 28.15.255(c) is amended to read:

8 (c) In this section, the term "proof of financial responsibility
9 [FOR THE FUTURE]" has the meaning given in AS 28.20.630 [AS 28.20.-
10 230(b)] and may be established as provided in AS 28.20.

11 * Sec. 27. AS 28.20.400(a) is amended to read:

12 (a) A person in whose name more than 25 vehicles are registered
13 in this state may qualify as a self-insurer by obtaining a certificate
14 of self-insurance issued by the department as provided in (b) of this
15 section. A person in whose name fewer than 25 vehicles are registered
16 qualifies as a self-insurer and shall be issued a certificate of
17 self-insurance, if the person provides proof satisfactory to the
18 department that the person has and will continue to have the ability
19 to pay a judgment for property damage, bodily injury, or both, in the
20 amount of at least \$125,000.

21 * Sec. 28. AS 28.20.630 is amended to read:

22 Sec. 28.20.630. DEFINITIONS [DEFINITION]. In this chapter,
23 unless the context otherwise requires,

24 (1) "judgment" ["JUDGMENT"] means a judgment that [WHICH]
25 is final by expiration without appeal of the time within which an
26 appeal may be taken, or final by affirmation on appeal, given by a
27 court of a [ANY] state or of the United States, upon a cause of action
28 arising out of the ownership, maintenance, or use of a vehicle of a
29 type subject to registration under the laws of this state, for

1 32 of this Act take effect immediately under AS 01.10.070(c).

2 * Sec. 35. Sections 4, 6, 8, 10, 12, 13, 15, 19, 21, 23, 25, and 31 of
3 this Act take effect January 1, 1994.
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

1 damages, including damages for care and loss of services, because of
 2 bodily injury to or death of a person, or for damages because of
 3 injury to or destruction of property, including the loss of use of
 4 property, or upon a cause of action on an agreement of settlement for
 5 such damages;

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

10 * Sec. 29. Sections 2 and 9 of this Act apply to automobile liability
 11 insurance policies entered into or renewed on or after January 1, 1990.

12 * Sec. 30. AS 28.20.230(b) is repealed.

13 * Sec. 31. AS 21.36.045, AS 28.10.051(b), and AS 28.22 are repealed.

14 * Sec. 32. REPORT. The Department of Public Safety shall report to the
 15 legislature by the 30th day of the Second Session of the Seventeenth Alaska
 16 State Legislature on the effects of the Alaska Mandatory Automobile Insur-
 17 ance Act (AS 28.22). The report must include

18 (1) the percentage of persons involved in accidents who are
 19 adequately compensated for resulting personal injury or property damage
 20 under the Motor Vehicle Safety Responsibility Act (AS 28.20);

21 (2) the number of persons ^{whose driver's license was suspended} ~~who are cited~~ for failing to comply
 22 with the Alaska Mandatory Automobile Insurance Act (AS 28.22) and the
 23 disposition of those ^{suspension} ~~citations~~;

24 (3) the change, if any, in the percentage of uninsured drivers
 25 during the period beginning July 1, 1989, and ending December 31, 1991; and

26 (4) recommended legislative changes.

27 * Sec. 33. Sections 11, 14, and 17 of this Act take effect January 1,
 28 1990.

29 * Sec. 34. Sections 1, 2, 3, 5, 7, 9, 16, 18, 20, 22, 24, 26 - 30, and

HB

44

FILE 2

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: BILL HARRIS

TITLE:

ADDRESS: P.O. BOX 112441

CITY: ANCHORAGE

ZIP: 99511

PHONE: 344-4876

BILL NO: HB 105

SUBJECT: MANDATORY SEATBELTS

MESSAGE: I OPPOSE HB 105. I THINK YOU ARE WASTING THE STATE'S TIME AND MONEY
ENFORCING SOMETHING LIKE THIS IN THE FUTURE. THERE ARE MORE IMPORTANT ISSUES
THE STATE SHOULD CONCENTRATE ON.

POHID: 03101609

DATE: 05/05/89

TIME: 10:16:09

LIONAME: ANCHORAGE LIO

COPIES: SENATORS

ADAMS
BINKLEY
COGHILL
DUNCAN
FAHRENKAMP
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: ARLEEN BURGESS

TITLE:

ADDRESS: 3721 SILVER LEAF AVE.

CITY: NORTH POLE

ZIP: 99705

PHONE: 488-0577

BILL NO: HB 44

SUBJECT: MANDATORY AUTOMOBILE INSURANCE

MESSAGE: ALASKA HAS THE SECOND HIGHEST INSURANCE PREMIUM COSTS IN THE NATION.
HB44 WILL CAUSE PREMIUM RATES TO ESCALATE HIGHER. A BETTER ALTERNATIVE CAN BE
FOUND TO ADDRESS THIS ISSUE. CALIFORNIA HAS DONE IT. ALASKA CAN TOO. BEFORE
VOTING ON HB44, REMEMBER YOU TOO WILL PAY THESE EXORBITANT COST FOR COVERAGE.

EOM-FZ-C

POHID: 07101110

DATE: 05/05/89

TIME: 10:11:10

LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS
BINKLEY
COGHILL
DUNCAN
FAHRENKAMP
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: CYNTHIA ATHEARN

TITLE:

ADDRESS: 9503 ANTLER WAY

CITY: JUNEAU, AK

ZIP: 99801

PHONE: 789-2331

BILL NO:

SUBJECT: MANDATORY AUTO INSURANCE

MESSAGE: I AM AGAINST MANDATORY AUTO INSURANCE. I FEEL IT'S A HARDSHIP ON LOW INCOME PEOPLE AND IT HASN'T REDUCED MY INSURANCE AT ALL, I STILL HAVE TO CARRY INSURANCE ON UNINSURED MOTORISTS BECAUSE THERE ARE STILL PEOPLE WHO GO WITHOUT INSURANCE. POSSIBLY THERE COULD BE A WAY OF RESTRICTING LICENSES ON PEOPLE WHO HAVE BEEN INVOLVED IN AT FAULT ACCIDENTS AND DO NOT CARRY INSURANCE AND ALSO DO NOT MAKE AN EFFORT TO PAY FOR DAMAGES.

POMID: 00160950

DATE: 05/04/89

TIME: 16:09:50

LIONAME: JUNEAU LIO

COPIES: SENATORS

ADAMS
BINKLEY
COGHILL
DUNCAN
FAHRENKAMP
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: LARRY PEPPER

TITLE:

ADDRESS: BOX 1043

CITY: AUKE BAY, AK

ZIP: 99821

PHONE: N/R-

BILL NO: SB 15

SUBJECT: NEGOTIATIONS BY PUBLIC SCHOOL EMPLOYEES

MESSAGE: I URGE YOU SUPPORT SB 15, IT PROVIDES EQUALL ACCESS TO EQUITABLE BARGAINING. THE ISSUE IS FAIRNESS AND QUALITY NOT CONTROL. THE PRESENT SYSTEM HAS LEFT HARD FEELINGS, WE NEED A NEUTRAL ARBITRATOR TO AVOID EMOTIONAL CONFRONTATIONS.

POMID: 00152116

DATE: 05/04/89

TIME: 15:21:16

LIONAME: JUNEAU LIO

COPIES: SENATORS

ADAMS
BINKLEY
COGHILL
DUNCAN
FAHRENKAMP
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: ARLEEN BURGESS
 TITLE:
 ADDRESS: 3721 SILVER LEAF AVE.
 CITY: NORTH POLE
 PHONE: 488-0577
 BILL NO: HB 44
 SUBJECT: MANDATORY AUTOMOBILE INSURANCE
 MESSAGE: BEFORE VOTING ON HB44, PLEASE CONTACT SENATOR STEVE FRANK'S OFFICE FOR A COPY OF THE LETTER I WROTE REGARDING MY EXPERIENCE WITH THE PREVIOUS MANDATORY INSURANCE LAW AND THE EXTREME IMPACT IT PLACED UPON STATE CITIZENS. AFTER READING THIS LETTER I KNOW YOU WILL NOT, IN GOOD CONSCIENCE, PASS HB44.

ZIP: 99705

FOR A COPY OF THE LETTER I WROTE REGARDING MY EXPERIENCE WITH THE PREVIOUS MANDATORY INSURANCE LAW AND THE EXTREME IMPACT IT PLACED UPON STATE CITIZENS. AFTER READING THIS LETTER I KNOW YOU WILL NOT, IN GOOD CONSCIENCE, PASS HB44.

POMID: 07091330
 DATE: 05/01/89
 TIME: 09:13:30
 LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS
 BINKLEY
 COGHILL
 DUNCAN
 FAHRENKAMP
 FAIKS
 FISCHER
 FRANK
 HALFORD
 JONES
 KELLY
 KERTTULA
 PEARCE
 POURCHOT
 RODEY
 STURGULEWSKI
 SZYMANSKI
 UEHLING
 ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: KAREN POST
 TITLE:
 ADDRESS: 1925 GOLDSTREAM ROAD
 CITY: FAIRBANKS
 PHONE: 455-6828
 BILL NO:
 SUBJECT: BUDGET FOR STATE PARKS
 MESSAGE: I AM VERY CONCERNED ABOUT THE BUDGET APPROPRIATION TO STATE PARKS. IT IS VITAL THAT THERE BE DIVERSE SERVICES FOR ALASKA'S VISTORS. STATE PARK IS ONE SERVICE THAT IS INCREASINGLY NCESSARY AND WE CANNOT AFFORD TO CUT THE BUDGET. PLEASE CONSIDER STATE PARKS AS THE BUDGET PROCEEDS. THANK YOU.
 EOH/FZ

ZIP: 99709

FOR A COPY OF THE LETTER I WROTE REGARDING MY EXPERIENCE WITH THE PREVIOUS MANDATORY INSURANCE LAW AND THE EXTREME IMPACT IT PLACED UPON STATE CITIZENS. AFTER READING THIS LETTER I KNOW YOU WILL NOT, IN GOOD CONSCIENCE, PASS HB44.

POMID: 07104803
 DATE: 05/01/89
 TIME: 10:48:03
 LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DOHLEY	ELLIS	FAIKS
FINKELSTEIN	FOSTER	FISCHER
FURHACE	GOLL	FRANK
GRUENBERG	GRUSSENDORF	HALFORD
HANLEY	HOFFMAN	JONES
HUDSON	JACKO	KELLY
KOPONEN	LARSON	KERTTULA
LEMAN	MACLEAN	PEARCE
MARTIN	MENARD	POURCHOT
MILLER	NAVARRÉ	RODEY
PETTYJOHN	PHILLIPS	STURGULEWSKI
RIEGER	SHARP	SZYMANSKI
SHULTZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: RICHARD FORD

TITLE:

ADDRESS: H C 78 BOX 1052

CITY: CHUGIAK

ZIP: 99567

PHONE: 688-9205

BILL NO: SB 8

SUBJECT: ALASKA WOMEN'S COMMISSION

MESSAGE: PLEASE SUPPORT EITHER THE SENATE OR FINANCE COMMITTEE AMENDMENTS TO THE WOMEN'S COMMISSION OR VOTE NO ON THE BILL. THE COMMISSION DOES NOT PROVIDE EQUAL REPRESENTATION FOR ALL ALASKAN WOMEN.

POMID: 03125655

DATE: 03/17/89

TIME: 12:56:55

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MENARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: ERICA MAHNEY

TITLE:

ADDRESS: 2221 MULDOON RD

CITY: ANCHORAGE

ZIP: 99504

PHONE: 338-4506

BILL NO:

SUBJECT: CAR INSURANCE BILL

MESSAGE: YOU WANT MANATORY AUTO INSURANCE FORCED ON AN IMPOVISHED PUBLIC. HOW ABOUT MANDATORY PAYMENT OF CLAIMS BY THE INDUSTRY. NOT JUST AUTO CLAIMS, BUT WORKERS COMP CLAIMS. WHAT HAPPENED TO INSURANCE REFORM LOWER RATES AVAILABILITY. NEED LEGISLATION TO PROTECT THE PUBLIC AND ASSISTANCE FOR THE DISABLED. NEED PUBLIC HEARINGS.

POMID: 03130026

DATE: 03/17/89

TIME: 13:00:26

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: MRS. W. H. STEPHAN

TITLE:

ADDRESS: P.O. BOX 112114

CITY: ANCHORAGE

PHONE: N/R-

BILL NO:

SUBJECT: CAR INSURANCE

MESSAGE: I HAVE ALWAYS HAD INSURANCE BUT WAS HIT TWICE WHILE THE LAW WAS TRYING

EFFECT EACH TIME AN ACCIDENT THAT WASN'T MY FAULT. THE POOR CAN'T BUY INSURANCE ANYWAY. YOU ARE DISCRIMINATING AGAINST THE POOR. I

ZIP: 99511

POMID: 03104243

DATE: 03/17/89

TIME: 10:42:43

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: MRS. W.H. STEPHAN

TITLE:

ADDRESS: P.O. BOX 112114

CITY: ANCHORAGE

PHONE: N/R-

BILL NO:

SUBJECT: TAXES

MESSAGE: I KNOW ALOT OF YOUR FRIENDS HAVE SCHOOL AND GOVERNMENT JOBS AND WE APPRECIATE THEM BUT WHY, DURING HARD TIMES CAN'T WAGES AND BENEFITS BE CUT AS NECESSARY. NO NEW TAXES NEEDED. CUT OUT GOVERNOR'S OLD AND NEW PROGRAMS THAT AREN'T NEEDED AND DON'T IMPLEMENT ANY OTHERS INCLUDING ALASKA WOMEN'S COMMISSION.

ZIP: 99511

POMID: 03105237

DATE: 03/17/89

TIME: 10:52:37

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	FAHRENKAMP
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
GOLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
LARSON	LEMAN	KERTTULA
MACLEAN	MARTIN	PEARCE
MEHARD	MILLER	POURCHOT
NAVARRE	PETTYJOHN	RODEY
PHILLIPS	RIEGER	STURGULEWSKI
SHARP	SHULTZ	SZYMANSKI
SPOHNHOLZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: R.M. SPENCER
 TITLE:
 ADDRESS: 3013 WILLOW
 CITY: ANCHORAGE ZIP: 99517
 PHONE: 277-0850
 BILL NO:
 SUBJECT: TAXATION PROPOSALS
 MESSAGE: I AM FIRMLY AGAINST ANY NEW TAXES, PERIOD! LET'S GET THE FAT OUT OF STATE GOVERNMENT FIRST. DOES STEVE REALLY THINK HE CAN CON US INTO ACCEPTING HIS NEW HIRE THEORY ON THE BASIS THAT WE REALLY NEED MORE DEAD WEIGHT ON THE PAYROLL? WHERE DO YOU STAND ON THIS?

POMID: 03110153
 DATE: 01/18/89
 TIME: 11:01:53
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BRADLEY	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS, C.	FAHRENKAMP
DAVIS, M.	DONLEY	FAIKS
ELLIS	FOSTER	FISCHER
FURNACE	GOLL	FRANK
GRUENBERG	GRUSSENDORF	HALFORD
HANLEY	HOFFMAN	JONES
HUDSON	JACKO	KELLY
KOPONEN	LARSON	KERTTULA
LEMAI	MACLEAN	PEARCE
MARTIN	MENARD	POURCHOT
MILLER	NAVARRE	RODEY
PETTYJOHN	PHILLIPS	STURGULEWSKI
RIEGER	SHARP	SZYMANSKI
SHULTZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: T. W. FOUCH
 TITLE:
 ADDRESS: P.O. BOX 311
 CITY: FAIRBANKS ZIP: 99707
 PHONE: 479-3495
 BILL NO: SB 44
 SUBJECT: MANDATORY INSURANCE
 MESSAGE: I AM TOTALLY OPPOSED TO THE MANDATORY INSURANCE LAW. BUT I ALSO FEEL THAT IF YOU ARE GOING TO PASS A MANDATORY INSURANCE LAW, IT SHOULD BE A CONSTITUTIONAL LAW THAT INCLUDES EVERY VEHICLE OWNER IN THE STATE. EOM/CLS

POMID: 07095308
 DATE: 01/18/89
 TIME: 09:53:08
 LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS
BINKLEY
COGHILL
DUNCAN
FAHRENKAMP
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: LARRY KITTLESON

TITLE:

ADDRESS: BOX 2881

ZIP: 99669

CITY: SOLDOTHA

PHONE: 283-9102

BILL NO: HB 44

SUBJECT: MANDATORY AUTOMOBILE INSURANCE

MESSAGE: I FEEL THAT BILL 44 IS A POOR BILL. I WOULD SUGGEST AND ASK THAT YOU VOTE AGAINST THIS BILL.

POMID: 13114049

DATE: 01/18/89

TIME: 11:48:49

LIONAME: SOLDOTHA LIO

COPIES: SENATORS

ADAMS
BINKLEY
COGHILL
DUNCAN
FAHRENKAMP
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMANSKI
UEHLING
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: ERIN OBA

TITLE:

ADDRESS: 14144 HANCOCK DR.

ZIP: 99515

CITY: ANCHORAGE

PHONE: 265-6523

BILL NO:

SUBJECT: BALANCED BUDGET

MESSAGE: MY PREFERENCE TO BALANCE THE BUDGET IS IN SEQUENCE, 1)REDUCE SPENDING, 2) INCREASE CORPORATE TAXES (NOT OIL INDUSTRY EXCLUSIVELY) 3)IMPOSE 1% SALES TAX 4) ELIMINATE PERMANENT FUND DIVIDEND. BY NO MEANS SHOULD STATE INCOME TAX BE IMPOSED.

POMID: 03123620

DATE: 01/18/89

TIME: 12:36:20

LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BRADLEY	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS, C.	FAHRENKAMP
DAVIS, M.	DONLEY	FAIKS
ELLIS	FOSTER	FISCHER
FURNACE	GOLL	FRANK
GRUENBERG	GRUSSENDORF	HALFORD
HANLEY	HOFFMAN	JONES
HUDSON	JACKO	KELLY
KOPOHEN	LARSON	KERTTULA
LEMAN	MACLEAN	PEARCE
MARTIN	MENARD	POURCHOT
MILLER	NAVARRE	RODEY
PETTYJOHN	PHILLIPS	STURGULEWSKI
RIEGER	SHARP	SZYMANSKI
SHULTZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

BECKY LONG
Box 344
Talksetna, AK 99676



America the Beautiful USA 15

*Save
Sheila*

Senator Dick Eliason
Chair of Labor and Commerce
Box V
Juneau, Ak. ~~99676~~

1/14/89 Dear Senator Eliason,

We are opposed to HB 44 the mandatory insurance law. Poor people cannot afford it. So a segment of the population will be outlaws because they are unable to comply with the law.

The insurance industry promotes this law in order for them to increase their profits and thus their investments and thus become richer. Let us be realistic.

Becky Long

P.O. Box 100171

Anchorage, AK 99510

May 14, 1988

Senator Dick Eliason

Alaska State Senate

P.O. Box 6

Juneau, AK 99811

Dear Sen. Eliason,

I was disgusted to read in yesterday's Anchorage Daily News that you had singlehandedly killed the mandatory auto insurance law. This is not a non-issue with me, particularly since a little over a year ago my car was hit by an uninsured driver who went through a red light. Although my insurance company paid all of my repairs except the \$200 deductible, it goes on my record and should I be involved in another accident, regardless of blame, my rates go up. I should not have to have gone to my insurance company and this should not have gone on my record. I was not at fault in the accident and all repairs should have been taken care of by the person who was at fault. I wrote Rep. Dave Donley at that time pointing out weaknesses in the current law and offering suggested improvements. One such suggestion was to require proof of insurance at the time a vehicle is registered - no vehicle could be registered unless it was insured. That would ensure compliance and reduce administration costs associated with the current program.

I don't know the content of Donley's House bill, but if it didn't have a provision requiring proof of insurance prior to registration, it should have. And you should have paid attention to the problem. It enrages me when individuals who are trying to do the right thing and take responsibility for themselves and their actions must bear the financial burden for irresponsible ~~for~~ people who just don't care or who just want to waste out of something. The concept that an individual should bear responsibility for his or her self is so fundamental to me that I'm astounded that an elected official, yourself, could endorse the opposite. What possible justification can there be for allowing uninsured drivers and vehicles on the road? I'm sure you'll feel

May 21, 1988

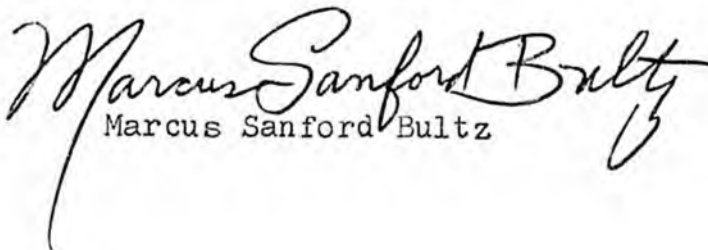
Senator Dick Eliason
P. O. Box 143
Sitka, AK 99835

Dear Senator Eliason:

You are a hero! Thousands of Alaskans owe to you a deep debt of gratitude for your courage in defying the powerful influence of the insurance mob by scuttling their outrageous exhorbitant subsidy known as the "Alaska Mandatory Automobile Liability Insurance Law of 1984".

Keep up the good work.

Yours Sincerely,


Marcus Sanford Bultz

House Bill #44 Page 1
Mandate Eng. 053

Ronald Thompson
P.O. Box 82076
Frb5 AK. 99708

Dick Elvason-Sitka

Dear Sir

Good work - slow it down and take a good long hard look at it.

If insurance is necessary in order to have financial responsibility, then please let's make it palatable.

Things that are very obviously wrong with it.

It forces innocent people to pay cost they would not have to pay under other circumstances. The driver without insurance is held hostage by the other insurance co. No pay no license right or wrong.

It cost too many driving points. It is not a life endangering act, and not comparable to other life endangering acts that are bad driver caused. If not in the wrong in the accident, it forces the uninsured driver to receive harsher treatment than a less skillful driver.

Driving license is lost without regards to a fault or a lack of fault. More important a person loses their license without due process of law. No one should lose a drivers ~~license~~ ^{license} by process.

of a regulatory agency. You lose your license without provision for appeal or adjustment of any kind. How much information would a person need before it becomes obvious that this law needs to be put in the hands of the court and absolutely out of the hands of the department of public safety.

People who use a driving license to make their living is involved in an accident that's not their fault and possibly driving a borrowed car without knowledge of a lack of insurance will lose their license, their job and possibly all else that they own. This is a terrible thing to have happen to someone through no fault of their own.

It causes people to insure non running vehicles in order to maintain a driving license.

There are many more reasons to overhaul this bill. If financial responsibility is not enough (should be) at least reasonable thinking people should be able to put something less monstrous out, and should be able to keep it garbage free - seat belts ect.

★ It is refreshing to find that not all the people in government are out

Page 3
05 3

to make felons of the average Alaskan citizen.

Rep Dave Donnelly was news paper quoted as saying "this bill makes responsible people responsible for their actions." Nonsense. He voted for this piece of junk, a responsible rep would have investigated this bill by public comment and by accumulated facts and if intelligent would have seen the areas that are grossly lacking. I have sent him a letter stating that in the future based on performance of this type I would find it difficult to support him should he desire a office that I could influence or vote on.

Irresponsible voting leads me to believe that he is not caring and is feeling very powerful.

I have been a victim of this law, I know others who have unjustly suffered because of the careless wording and design of this bill.

Thank you for attempting to make this law people responsible.

If I can be of future aid or assistance please call on me

Yours
Ron Thompson

JOSEPH L. KASHI
ATTORNEY AT LAW
35477 SPUR HIGHWAY, SUITE 207,
SECOND FLOOR, 4-D COMMERCIAL BUILDING
SOLDOTNA, ALASKA 99669

907-262-4604

January 30, 1989

Senator Dick Eliason
Chairman - Labor and Commerce Committee
P.O. Box V
Juneau, AK 99811

RE: Mandatory Automobile Insurance

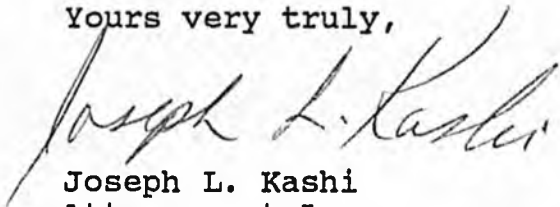
Dear Senator Eliason:

I recollect that the state's mandatory automobile insurance law was allowed to sunset last year because it was held up in the Senate. I think that this is a very bad idea. The persons most likely to not have insurance are usually those people who have the least to lose and who have a tendency to be the less-responsible segments of our state. These are, as well, the people who are most likely, in my experience, to drive in a reckless fashion and injure other people. Although it is all very well to claim that they should be required to have some sort of nebulously defined financial responsibility in the event that they injure someone, this in fact does not occur. The same people who are most likely to have accidents and least likely to have insurance to protect their victims are also the least likely to be able to help the victims in any way with even such things as minimal medical bills. I have had the opportunity the last few years to deal with numerous people who have been injured in accidents and almost without exception, these people would be bereft of any ability to pay serious medical bills, surgery costs, hospital bills and the like without insurance by the offending driver. Usually a person's own automobile insurance policy may have a limit of \$5,000.00 per accident. In addition, these people are frequently unable to work for a long time as a result of their injuries. As a result, the state ends up picking up many of these expenses through Medicare/Medicaid or by some form of welfare, disability payments or other support. Indirectly, such uninsured accidents result in costs to the state arising from losses to medical insurance companies and the like. I think that it is a very poor idea to allow the least responsible members of our society to roam the streets without at least some sort of insurance. Otherwise, the apparent rights of the victims tend to be lost as a practical

PAGE 2

matter. Medical bills and lost wages needed for living expenses just don't get paid because there is some law on the books that says that an irresponsible person "shall be responsible" for medical and wage payments to his victim when he likely has no significant assets. If sued, that sort of person can simply declare bankruptcy, shifting the burden of his own negligence to the victim and to the state. That's not fair. The state's prior system of mandatory insurance was not perfect but it was at least a minimal start toward protecting the interests of both the innocent injured party and of the state. I would urge you to provide for the prompt reinstatement of this program.

Yours very truly,

A handwritten signature in cursive script that reads "Joseph L. Kashi". The signature is written in dark ink and is positioned above the typed name and title.

Joseph L. Kashi
Attorney at Law

JLK/mp



Western Rentals, Inc.

P.O. BOX 415
YAKUTAT, ALASKA 99689

Feb 3, 1989

Senator Dick Eliason
Alaska State Capitol
Juneau, Alaska

Dear Dick:

Tough winter here. Record January snowfall -- 114 inches. Down to minus 17 two nites recently.

I have a real interest in proposed insurance bills pending before the legislature.

Be advised that if the bill passes requiring PL and PD insurance on my vehicles, it will probably put me out of business. What will I do with 55 units in a small community like Yakutat?

There is absolutely no insurance available for small car rental companies. My last policy cost \$11,000 annually. If it were available it would be in the \$50,000 annual range, but is not available anywhere. I have tried. With an annual gross income in the \$90,000 range, we are very limited in our ability to take on programs that large rental companies can.

The only possible future for me would be to try securing a franchise with someone like Rent-a-Dent. Their fees would range in the \$25,000 annual range.

Most of our customers have their own coverages for rental cars. Altho we keep cars available all year around, we actually are busy only 5 months of the year. During January we only rented one car for one day.

If I can provide you with more backup info, you can contact me by phone in the evenings at 907-784 3425

Regards
Marlys
M. R. Koroch

P.S. In the 7 years of operation, we have not had a single claim as a result of collision or damage to another vehicle or property. Also in the small community of Yakutat, in spite of many local vehicles, an accident is almost unheard of. Less than one accident per year. Police records would document this statement.

new, more powerful 80286 microprocessors to old personal computers, giving the older machines more speed and memory and allowing them to run the new OS/2 operating system. Microsoft was the first to offer this product, but similar technology is now available from other vendors, and the company's profit margins are likely to fall as prices drop on systems using the 286 chip. "It's questionable whether they're going to make a lot

CHART OF THE WEEK

Bureaucrat Bulge

(Percent change in government employment, 1980-87)

State	Percent	Rank in Nation
Wyoming	31.7	1
Alaska	25.5	2
Arizona	19.1	4
Utah	14.3	7
Nevada	11.2	8
Nebraska	10.2	11
New Mexico	8.6	15
WASHINGTON	8.1	17
Hawaii	7.6	18
Colorado	7.5	19
Idaho	7.1	21
California	6.5	23
North Dakota	6.1	25
South Dakota	4.3	34
Oregon	2.8	36
Montana	-0.7	42
West Average	8.2	
50 State Average	5.3	

SOURCE: InfoWest



NO SURPRISES

There's only one thing more frustrating than having computer breakdowns when you're busy...it's finding out that repairs on your equipment were improperly done...or not done at all!

That's why PC FIXX not only guarantees the work on your equipment to be right the first time, we'll also have you up and running within 8 hours...OR YOU DON'T PAY.

In addition to expert repair and maintenance for IBM, Compaq, Apple Computers and clones, PC FIXX offers FREE pick-up and delivery, and if a loaner machine is needed, it's at no charge.

Surprises are fine for birthday parties, but they're not so good when they involve your computer system.

If you're a downtown Seattle business who's had a few unexpected problems with your computers, call PC FIXX. You'll be pleased. You may even be delighted. But you won't be surprised.

PC FIXX
Computer Repair & Upgrades

448-FIXX

2124 Fourth Avenue • Seattle, WA 98121

Weekends/Holidays

\$45.50

per person plus tax*

Midweek

\$42.50

per person plus tax*

Package Includes

Room Accommodations

Complimentary Breakfast

One Day Lift Pass at Mission Ridge

Amenities

Rooftop Restaurant and Fireside Lounge

Live Music

Indoor Pool and Jacuzzi

Ski Storage

◆ WestCoast ◆ Wenatchee Center

toll-free

1-800-426-0670

or 509-662-1234

201 North Wenatchee Ave.

Wenatchee, Washington 98801

*based on double occupancy /per night
special rates for additional guests up to four per room

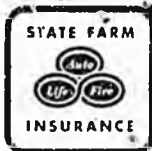
lining [*sic*] is a felony. No one seems to be concerned that sodomy is classified as 'mental illness' under our laws yet our schools are treating it as 'an alternative lifestyle,' the solution being to dispense free condoms in our schools, public health clinics, and in some churches. A serious equal protection issue comes to mind on the free needles. Those that have to pay for them for legal use are being discriminated against."

Maybe the much-maligned state judiciary conduct commission should have been looking into judicial qualifications after all.

The votes will be in the mail

Come March 14, nearly 100,000 residents of unincorporated King County will decide whether they want to form their own cities. Three big incorporation elections—Federal Way, Woodinville, and Sea-Tac (the area bounded by I-5 and Highway 509 south of Burien)—are scheduled for the same day. Instead of casting votes at voting booths, every registered voter living in those three areas will receive a mail-in ballot. Under a motion passed unanimously by the King County Council in December, every incorporation election and annexation will, from now on, be conducted by mail-in voting.

Supposedly, the cost of conducting the vote-by-mail elections is about the same as opening polls. The council reasons that mail-in ballots will increase voter participation, since turnout at special incorporations tends to be low. The 25 mail-in elections (almost all concerning property levies) that have taken place in other counties around the state have had voter participation rates of higher than 50 percent. The proponents of incorporations, however, aren't pleased with the council's new directive. "Getting out the vote is a Mom-



CURTIS G. GREEN, Agency Manager
Auto - Life - Health - Home and Business

1/10/89

327 E. Fireweed Lane, Suite 201
Anchorage, Alaska 99503
Phone: Off: 907-276-1651

DEAR SENATOR ELIASON -

I'M ENCLOSING AN ARTICLE PREPARED
BY OUR COMPANY THAT SHOULD BE
VERY USEFUL TO YOU - PLEASE CALL
ME OR OUR HOME OFFICE IF YOU
HAVE ANY QUESTIONS -

SINCERELY -
CURT GREEN,

Insurance **BACKGROUND**

*Background information on insurance topics for the news media
Published by the Public Relations Department of the State Farm Insurance Companies
One State Farm Plaza, Bloomington, Illinois 61710. . . Phone (309) 766-2625*

Should Auto Liability Insurance Be Required By Law?

It's become part of the folklore of our motorized society: A responsible citizen is driving down the street when an aging clunker roars past a stop sign and slams into Mr. Citizen's car, sending it to the junkyard and its owner to the hospital. The driver of the clunker has no assets, little income, and—of course—no liability insurance.

Stories about uninsured drivers usually bring expressions of outrage from listeners, along with comments like: "There oughta be a law!" In most states there are laws that make it a crime to drive without liability insurance. This type of law has been on the books more than 60 years in Massachusetts and more than 20 years in New York and North Carolina. Whether these laws are in the best interest of the public, however, is a subject of great controversy.

No one doubts that uninsured drivers are a widespread problem in the United States. The actual number of these drivers is not known, however, and estimates vary considerably. Many observers would agree that somewhere around 20 percent of the automobiles on the road are not covered by liability insurance, with the percentage differing sharply from one state to another. There are indications that the number has been growing recently, perhaps because inflation is putting a squeeze on the pocketbooks of more car owners, who gamble on not having an accident rather than paying the price of insurance.

Historical Background

Uninsured motorists weren't a serious problem during the first decades of the automobile. The new motor cars were playthings of the affluent, who had the assets to pay for any harm caused by their negligence. By 1920, car ownership had spread to many low-income families with little property that could be seized to pay for damages they caused in accidents. Liability insurance seemed to offer the only solution to this problem.

As early as 1919, proposals were made in Massachusetts for a law requiring all drivers to carry liability insurance. By 1925, compulsory insurance bills were introduced in half of the nation's state legislatures. Massachusetts enacted a compulsory bodily injury liability insurance law that took effect in 1927.

Arguments For Compulsory Insurance Laws

Advocates of compulsory liability laws base their case on the concepts of fairness and justice. Their attitude is rooted in traditional tort liability legal doctrine, which holds a person financially responsible for any harm that his negligence may cause to others. Since liability insurance offers the only practical way for most drivers to pay compensation, advocates of compulsory insurance believe the state should force motorists to buy liability coverage by making it a criminal offense to drive without it.

Proponents of compulsory insurance argue that it is unfair to expect people to pay for uninsured motorist coverage to protect themselves from irresponsible drivers who are at fault in accidents. They also point out that a portion of the collision coverage on automobiles goes to pay for vehicle damage caused by uninsured drivers. On a national average, each insured driver may be paying somewhere around \$20 a year to protect himself from uninsured motorists. If these uninsured motorists are compelled to buy liability coverage, proponents say, responsible drivers won't have to pay that extra money.

Arguments Against Compulsory Insurance Laws

Those who oppose compulsory liability insurance laws tend to base their opposition on pragmatic grounds, although they may also use ethical or philosophical arguments.

Opponents' main arguments are that compulsory insurance laws: (1) can't be enforced well enough to remove uninsured drivers from the roads, (2) are costly to administer, and (3) increase insurance premiums for responsible drivers. Many opponents of compulsory insurance also argue that the state has no right to force low-income motorists, who have no assets to protect, to buy liability insurance merely for the benefit of more affluent drivers.

Compulsory Laws Don't Work

The core of the case against compulsory insurance laws is the argument that they simply don't work, that they don't compel motorists to buy insurance. These laws are hard to enforce because of the nature of liability insurance itself. Liability coverage is designed to protect the policyholder from losing his assets and income if he causes an accident that harms someone. Drivers with no property, no savings, and little income have nothing to lose in a lawsuit. They have no economic incentive to buy liability insurance.

"They perceive the liability insurance policy as taking care of other people," Dr. John W. Hall, chairman of the insurance department at Georgia State University, reported to the South Carolina Joint Legislative Automobile Liability Insurance Study Committee in 1979. "The compulsory liability insurance system forces these people to pay high premiums relative to their own income for benefits for others when they cannot themselves afford adequate benefits to cover their own losses."

Critics of compulsory laws maintain that the compulsory insurance states, faced with determined resistance by drivers who neither need nor want liability insurance, have failed in their efforts to enforce the laws. As proof, they point to the experiences of the three states that have had compulsory laws the longest and have made the strongest efforts to enforce them.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Insurance **BACKGROUND**

*Background information on insurance topics for the news media
Published by the Public Relations Department of the State Farm Insurance Companies
One State Farm Plaza, Bloomington, Illinois 61710. . .Phone (309) 766-2625*

Should Auto Liability Insurance Be Required By Law?

It's become part of the folklore of our motorized society: A responsible citizen is driving down the street when an aging clunker roars past a stop sign and slams into Mr. Citizen's car, sending it to the junkyard and its owner to the hospital. The driver of the clunker has no assets, little income, and—of course—no liability insurance.

Stories about uninsured drivers usually bring expressions of outrage from listeners, along with comments like: "There oughta be a law!" In most states there are laws that make it a crime to drive without liability insurance. This type of law has been on the books more than 60 years in Massachusetts and more than 20 years in New York and North Carolina. Whether these laws are in the best interest of the public, however, is a subject of great controversy.

No one doubts that uninsured drivers are a widespread problem in the United States. The actual number of these drivers is not known, however, and estimates vary considerably. Many observers would agree that somewhere around 20 percent of the automobiles on the road are not covered by liability insurance, with the percentage differing sharply from one state to another. There are indications that the number has been growing recently, perhaps because inflation is putting a squeeze on the pocketbooks of more car owners, who gamble on not having an accident rather than paying the price of insurance.

Historical Background

Uninsured motorists weren't a serious problem during the first decades of the automobile. The new motor cars were playthings of the affluent, who had the assets to pay for any harm caused by their negligence. By 1920, car ownership had spread to many low-income families with little property that could be seized to pay for damages they caused in accidents. Liability insurance seemed to offer the only solution to this problem.

As early as 1919, proposals were made in Massachusetts for a law requiring all drivers to carry liability insurance. By 1925, compulsory insurance bills were introduced in half of the nation's state legislatures. Massachusetts enacted a compulsory bodily injury liability insurance law that took effect in 1927.

Most states, however, took a different approach to the problem. A proposal for a financial responsibility law had been included in the Uniform Vehicle Code adopted in 1924 by the National Conference on Street and Highway Safety. Instead of requiring all drivers to carry liability insurance, this proposal would require motorists who were in an accident to show that they had the financial means to compensate their future victims. In practice, most drivers could demonstrate the required financial means only by carrying a liability insurance policy. In 1928 the American Automobile Association issued a model financial responsibility bill, which was endorsed by many insurance companies and other groups. Instead of taking the compulsory insurance route, the other states enacted financial responsibility laws.

Three decades passed before another state followed Massachusetts' lead. In 1956 a compulsory insurance system was established in New York and in 1957 North Carolina became the third state with a compulsory system.

Today some 39 states have compulsory liability insurance laws. Many of these laws were passed in the 1970s as part of some type of no-fault package; many legal authorities believed no-fault laws would have a stronger constitutional footing if they compelled motorists to buy auto insurance.

How Are Compulsory Insurance Laws Designed to Operate?

Compulsory insurance laws provide that driving a car without the required amount of liability insurance is a criminal offense—a misdemeanor, like battery or driving while intoxicated. In theory, conviction of violating the law can result in a fine or even a jail sentence in many states, although in reality jail sentences are extremely rare.

Some compulsory insurance laws require motorists to show evidence of insurance to public authorities at least once a year before their vehicles can be registered and license tags issued. Usually the proof of insurance is in the form of an identification card or sticker from the insurance company. Most compulsory states use a self-certification procedure in which motorists are required to sign affidavits attesting that they have, and will maintain, liability insurance coverage. The state may verify a random sample of these affidavits with the insurance companies that issued the policies.

But either system causes problems. Even though a motorist has liability insurance when he gets his license plates, he can still drop the coverage later. In an attempt to prevent this, some compulsory laws require insurance companies to send a notice to state regulatory authorities when a policy is cancelled or not renewed. The state then sends a notice to the motorist asking for an explanation of the cancellation. If the motorist doesn't respond within the required time, the state sends a notice suspending his license after a certain date. Failure of the motorist to respond by the effective date causes his license tags to be subject to seizure by any police officer. In theory, a state police officer will be sent to pick up the tags. In practice, because of manpower shortages, tags are seized in most states only when the motorist commits other traffic offenses that bring him to the attention of the police.

Compulsory insurance laws usually provide harsher penalties for uninsured motorists found to be at fault in an accident and for motorists who drive after their licenses are suspended.

Arguments For Compulsory Insurance Laws

Advocates of compulsory liability laws base their case on the concepts of fairness and justice. Their attitude is rooted in traditional tort liability legal doctrine, which holds a person financially responsible for any harm that his negligence may cause to others. Since liability insurance offers the only practical way for most drivers to pay compensation, advocates of compulsory insurance believe the state should force motorists to buy liability coverage by making it a criminal offense to drive without it.

Proponents of compulsory insurance argue that it is unfair to expect people to pay for uninsured motorist coverage to protect themselves from irresponsible drivers who are at fault in accidents. They also point out that a portion of the collision coverage on automobiles goes to pay for vehicle damage caused by uninsured drivers. On a national average, each insured driver may be paying somewhere around \$20 a year to protect himself from uninsured motorists. If these uninsured motorists are compelled to buy liability coverage, proponents say, responsible drivers won't have to pay that extra money.

Arguments Against Compulsory Insurance Laws

Those who oppose compulsory liability insurance laws tend to base their opposition on pragmatic grounds, although they may also use ethical or philosophical arguments.

Opponents' main arguments are that compulsory insurance laws: (1) can't be enforced well enough to remove uninsured drivers from the roads, (2) are costly to administer, and (3) increase insurance premiums for responsible drivers. Many opponents of compulsory insurance also argue that the state has no right to force low-income motorists, who have no assets to protect, to buy liability insurance merely for the benefit of more affluent drivers.

Compulsory Laws Don't Work

The core of the case against compulsory insurance laws is the argument that they simply don't work, that they don't compel motorists to buy insurance. These laws are hard to enforce because of the nature of liability insurance itself. Liability coverage is designed to protect the policyholder from losing his assets and income if he causes an accident that harms someone. Drivers with no property, no savings, and little income have nothing to lose in a lawsuit. They have no economic incentive to buy liability insurance.

"They perceive the liability insurance policy as taking care of other people," Dr. John W. Hall, chairman of the insurance department at Georgia State University, reported to the South Carolina Joint Legislative Automobile Liability Insurance Study Committee in 1979. "The compulsory liability insurance system forces these people to pay high premiums relative to their own income for benefits for others when they cannot themselves afford adequate benefits to cover their own losses."

Critics of compulsory laws maintain that the compulsory insurance states, faced with determined resistance by drivers who neither need nor want liability insurance, have failed in their efforts to enforce the laws. As proof, they point to the experiences of the three states that have had compulsory laws the longest and have made the strongest efforts to enforce them.

Massachusetts, the first state to enact a compulsory insurance law, watched its auto insurance rates climb until they became the highest in the nation. In 1968, Gov. John Volpe told the Massachusetts legislature that "the people of the commonwealth have lost confidence in our compulsory automobile insurance system." After over half a century of compulsory insurance, the number of uninsured vehicles in Massachusetts still presents a serious problem.

New York adopted a compulsory liability insurance law in 1956. In 1963, a study by the University of Michigan found that there were twice as many uninsured drivers in New York as there were before the compulsory law was passed. A 1978 study found that 6.5 percent of a sample of 9,345 cars were uninsured.

The *New York Daily News* studied the state's compulsory insurance system in 1963 and reported: "The compulsory insurance law . . . (has) failed miserably to achieve its aims. Insurance companies despise it, the Motor Vehicles Department is suffering with it, the district attorneys won't prosecute on it and police departments don't enforce it. . . as far as *News* reporters could determine, no uninsured driver has ever been sent to jail, no matter what human or property damage he has caused. . . ."

Even in North Carolina, the state regarded by many observers to have done the most effective job of enforcing compulsory liability insurance, many vehicles are still uninsured after many years of well financed and highly sophisticated enforcement efforts.

The most damning proof that compulsory liability laws don't work, opponents maintain, is the fact that all the compulsory states require insurers to offer uninsured motorist coverage and that most drivers buy it. Drivers in compulsory states are carrying a double burden: paying the premiums for uninsured motorist coverage and also bearing the cost of trying to enforce the compulsory insurance law.

Drivers who don't want to buy liability insurance find it easy to evade compulsory insurance laws.

Probably the most common technique of evading compulsory laws is called insurance dodging. The motorist goes to an insurance agent and applies for liability coverage in order to get an insurance identification card. The motorist uses the card to get his license tag, but then either cancels the coverage or fails to pay the balance of the premium. Although in some states the insurance company must send a notice to the proper state agency that the driver's coverage has lapsed, much time goes by before the overworked state bureaucracy gets around to taking any action. Even then the police, who must give priority to more serious crimes, don't have enough manpower to send officers out to confiscate the license tags.

Even if they are prosecuted and convicted of violating the compulsory law, insurance dodgers have little to fear. Judges, who deal with an endless stream of more serious offenders, are very lenient with someone who does nothing worse than refuse to buy insurance. In short, insurance dodgers face little risk.

Compulsory Laws Are Costly

The second major argument made by opponents of compulsory laws is that they are too costly to administer. Proper enforcement of these laws would require a large state bureaucracy, an extensive data processing system, and enough state police officers to go out and confiscate the license tags of uninsured drivers. No state has been willing or able to spend the vast amount of money that would be required for this kind of enforcement program.

Of all the states with compulsory laws, North Carolina has carried out the most extensive and effective enforcement program. The program is supervised by the Department of Motor Vehicles at a cost of about \$1.3 million a year. All of the record-keeping and forms preparation is done by a sophisticated computer system provided by the state Department of Transportation at an annual cost of about \$1.6 million. The Department of Public Safety employs 50 state police officers to confiscate about 19,000 sets of license plates a year at an annual cost of more than half a million dollars.

After New York passed its compulsory law, the cost of enforcement rose to more than \$7 million a year. In an effort to cut these high costs, New York went to a self-certification program in 1974. This simplified procedure shaved about \$3 million off the cost.

South Carolina, with a much smaller population than New York, reported that it spent \$1.3 million in the fiscal year ending April 30, 1979, to enforce its compulsory law.

The magazine *National Underwriter* reported in 1979 that enforcement of Pennsylvania's compulsory insurance law was "bogged down in a bureaucratic morass" in the Department of Transportation because of "poverty and lack of staff to administer the program." A department official said 40,000 notices of cancellation or lapses poured into the department every month and declared: "We'll never be current." Today, however, Pennsylvania requires cancellation notices only during the first six months of the policy and the department is quite current.

The California Department of Motor Vehicles, after studying California's compulsory insurance law in 1976, reported that "if all social costs associated with this program are considered, this program is almost certainly a social liability from the cost-benefit standpoint." The department found that "less than one-half of one percent of the drivers in California are financially responsible as a consequence of this program."

Higher Rates For Responsible Drivers

Opponents of compulsory insurance laws argue that these laws cause insurance premiums to go up for responsible drivers.

Part of this increase comes from the higher operating costs of insurance companies, which must issue identification cards or stickers to all their policyholders and may have to notify the state every time a customer fails to renew, or cancels, a policy or doesn't pay the balance of his premium.

But most of the increase, opponents maintain, results from the higher accident rates among many of the formerly uninsured drivers who are forced to buy insurance.

"Insurers that provide insurance to the overwhelming majority of safe and responsible drivers," said Dr. Hall, "are forced to include high-risk drivers among their insureds. As these high-risk drivers incur losses, the rating structure will be affected and the overall rates must rise."

Massachusetts adopted compulsory insurance in 1927. By 1938, its claim frequency per thousand insured vehicles had increased 33 percent—while the countrywide frequency declined 21 percent.

Massachusetts Gov. Volpe attributed much of his state's high insurance cost to its compulsory law in 1968 when he reported: "The personal injury claims frequency in the commonwealth is 1.8 times that of the next highest state (which also happens to be a compulsory state), and twice the national average. This claims frequency may be directly related to our high insurance costs and also supports the conclusion that under our compulsory system, Massachusetts motorists have become more claims conscious than those in other states."

Alternatives to Compulsory Insurance

Those who oppose compulsory liability insurance laws offer two alternatives: (1) strong financial responsibility laws and (2) insurance coverages that motorists can buy to protect themselves from losses caused by uninsured drivers.

Financial responsibility laws have been in use since the 1920s. These laws do not require insurance before cars can be licensed and they do not make it a criminal offense to drive without insurance. When motorists are involved in an accident (generally one resulting in bodily injury or in more than a specified amount of property damage), financial responsibility laws require them to show proof that they will be able to pay damages that might be awarded to other accident victims. Generally, they can do this with a liability insurance policy providing minimum required benefit limits, by posting a bond for the same amount, or by depositing cash or securities in that amount. Failure to do one of these leads to suspension of licenses of at-fault drivers for a certain length of time.

Opponents of compulsory insurance see several advantages in financial responsibility laws. They are aimed only at drivers who cause accidents, not at every driver in the state. As a result, the cost of enforcement is greatly reduced, insurance company operating costs are cut, and the great majority of responsible motorists are not subjected to the state's efforts to enforce compulsory insurance. The pressure is removed from those who can't afford to buy insurance and those who have no need for liability coverage.

Opponents maintain that a well-administered financial responsibility law is just as effective as a compulsory law—at a fraction of the cost. Virginia, generally regarded as having one of the most effective financial responsibility systems, is estimated to have about the same percentage of its cars insured as neighboring North Carolina, with the nation's best-enforced compulsory law.

Since neither compulsory laws nor financial responsibility laws can remove all uninsured drivers from the road, those who oppose compulsory laws recommend that motorists buy their own insurance coverage to protect themselves from irresponsible drivers.

Uninsured motorist coverage has long been available in every state. Often it can be purchased with limits as high as the liability limits carried by the driver. When the driver is in an accident with an uninsured motorist, his own insurance company will pay him damages that the uninsured driver is legally obligated to pay.

Underinsured motorist coverage is now available in most states. This new coverage comes into play if the policyholder is injured by an at-fault driver who is insured, but has limits of liability coverage that are inadequate.

Uninsured motorist coverage in many states does not provide protection for damage to property. In those states, of course, motorists can still protect their vehicles by buying collision coverage.

In states with no-fault laws, personal injury protection coverage is provided to all insured drivers. This coverage reimburses policyholders for their own medical expenses and lost wages without regard to fault. In states without no-fault laws, medical payments coverage is available. A loss-of-income coverage is also available from auto insurers.

Opponents of compulsory laws argue that it's better to let affluent drivers provide their own insurance protection rather than try to force drivers without assets to buy liability coverage they don't need and can't afford. This approach, they believe, is less costly than the financial burden of trying to enforce a compulsory law, plus paying the higher premiums that result from compulsory laws.

Conclusion

It seems clear that no state has been able to solve the problem of uninsured drivers with a compulsory insurance law. Even the best-enforced compulsory laws have been no more successful at removing uninsured drivers than good financial responsibility laws. In a free society, it is impossible to force large numbers of people to buy something they don't need and can't afford. No state government is willing or able to take the steps that would be necessary to fully enforce a compulsory liability insurance law.

Since compulsory laws are no more effective than financial responsibility laws, there seems to be no point in spending vast amounts of money and harassing millions of motorists in futile attempts to enforce them.

For responsible motorists, the more practical route is to look after their own protection, rather than relying on unenforceable laws. Protection is readily available at moderate cost in the form of uninsured and underinsured motorist coverage, medical payments coverage, and loss-of-income coverage. In no-fault states, personal injury protection coverage offers even greater protection.

Compulsory Auto Insurance Does It Work?

"The compulsory liability insurance system is expensive to enforce, with only minimal increase in the percentage of drivers who are insured"

*...South Carolina Legislative Insurance Study
Committee Report.*

"The law is a farce". . .Louisiana Insurance Commissioner Sherman Bernard.

"...almost certainly a social liability from a cost-benefit standpoint. . .less than one-half of one percent of the drivers in California are financially responsible as a consequence of this program". . .California Department of Motor Vehicles program analysis.

**"Pennsylvania's mandatory no-fault insurance law is bogged down in a bureaucratic morass . . .from 800,000 to 2 million motorists are able to get their licenses without having insurance or cancel it once the registration is issued"
...National Underwriter**

"In order for the act to be properly enforced, 28 commissioned South Carolina highway patrolmen have been assigned solely to financial responsibility enforcement. . .the cost of administration and enforcement. . .for the current fiscal year. . .approximately \$1,308,000". . .South Carolina Financial Responsibility Administrator Fred Sojourner.

"The compulsory insurance law. . .(has) failed miserably to achieve its aims". . .New York Daily News.

'Failed miserably. . .'

New York then. . .

Excerpts from a *New York Daily News* series done six years after the state had put a compulsory insurance law on the books. Although it appeared some time ago (1963) it demonstrates how dismally the system was working:

"The compulsory insurance law. . .(has) failed miserably to achieve its aims. Insurance companies despise it, the Motor Vehicles Department is suffering with it, the district attorneys won't prosecute on it and police departments don't enforce it. . .as far as *News* reporters could determine, no uninsured driver has ever been sent to jail, no matter what human or property damage he has caused. . .the best official estimate of just how many deadbeats are menacing our streets and highways at this very moment. . .puts the figure at 226,000."

New York now. . .

Time apparently has not improved that condition. A study was ordered in 1978 for the New York Department of Motor Vehicles on the uninsured motorist problem in the state. In a spot check of just over 9,000 vehicles, 606 were discovered to be uninsured. That percentage, projected on total vehicles registered in the state (7,556,000) would indicate that there could be 491,000 uninsured cars on the road in New York.

. . .Meanwhile, back in Michigan

Another 1978 survey for the Michigan Department of State on compliance with the state's compulsory no-fault insurance law turned up similar results. Of 1,000 cars sampled, 116 were proven uninsured and owners of another 43 were listed as "uncooperative" to the extent that no determination could be made. With 4.5 million passenger cars registered in Michigan at that time, the projection of that percentage gets the potential uninsured total to well over the half-million mark.

'Bogged down in a bureaucratic morass'

Excerpts from a *National Underwriter* story, March 16, 1970:

"Enforcement of Pennsylvania's mandatory no-fault insurance law is bogged down in a bureaucratic morass in the automobile licensing agency—the Pennsylvania Department of Transportation. . .the Insurance Federation of Pennsylvania estimated that because of gaping loopholes in enforcement, from 800,000 to 2,000,000 motorists are able to get their licenses without having insurance or cancel it once the registration is issued.

" . . . Reports of cancellations are sent to Penn DOT but the agency pleads poverty and lack of staff to administer the program. . . Robert Mustin, assistant director of the traffic safety bureau, said the 40,000 notices that come in from companies each month on cancellations or lapses are just too much for the staff to handle. 'We'll never be current,' he declares."

28 Patrolmen, \$1.3 million = 76,000 uninsured

Excerpts from remarks by Fred E. Sojourner, financial responsibility administrator, Motor Vehicle Division, South Carolina Department of Highways, at the American Association of Motor Vehicle Administrators conference in Clearwater Beach, Fla., June 19, 1979:

"In order for the act to be properly enforced, 28 commissioned South Carolina Highway Patrolmen have been assigned solely to financial responsibility enforcement. . .

"Since enactment of the compulsory law in October of 1974, the estimated percentage of uninsured motor vehicles on South Carolina's highways has fallen. . .to approximately 4.4 percent.

"The cost for the administration and enforcement of the South Carolina Motor Vehicle Financial Responsibility Act and the South Carolina Automobile Reparation Reform Act for the current fiscal year through April 30, 1979, has totaled approximately \$1,308,000."

(Editor's Note: The 4.4 percent uninsured motorist estimate becomes about 76,000 motorists driving without insurance when applied to vehicles registered in South Carolina.)

' . . . You can't legislate responsibility'

Excerpts from the *Lexington, Ky., Leader*, Sept. 12, 1979:

"This week marks the first anniversary of a state law that was aimed at reducing uninsured auto injuries and deaths—the Kentucky insurance sticker law. . .according to numbers supplied by detectives assigned to the police department's hit-and-run unit, more than half of the drivers in Lexington's fatal accidents through August had no insurance.

" . . . State Rep. Bobby Richardson, D-Glasgow, majori-

ty leader and legislator who sponsored the bill in last year's Kentucky General Assembly, contends the law is directly responsible for 'improving the automobile coverage rate in Kentucky.' But Fayette County's statistics of death involving uninsured drivers stand in silence alongside those conflicting claims. . . State Police Lt. Ernest Blevins offered the theory of the uninsured driver: "You just can't legislate responsibility."

Not in consumer's best interest

Excerpts from testimony of Dr. John W. Hall, chairman, Insurance Department, Georgia State University, before Financial Responsibility Subcommittee of Tennessee's Senate Commerce and Labor Committee, Sept. 23, 1981:

"...There is substantial evidence that law enforcement efforts typically fail to assure compliance in states where affordability of insurance is of major concern. The cost of administering such a program effectively is great, with disappointing increases in the number of drivers insured.

"The enactment of compulsory liability insurance statutes... was, in my opinion, not in the best interest of the consumer.

"It is my opinion... that low hazard drivers will eventually pay more under compulsory liability than under the present (non-compulsory) system, perhaps substantially more.

"In my opinion, most drivers would be better off financially under the present system, with the option to purchase uninsured and underinsured motorist coverages equal to their own policy limits, for additional premiums... (T)he additional premiums for these options will be less than the added cost of liability insurance where it is compulsory."

95 percent of warnings were wrong, says West Virginia DMV

Excerpts from *Associated Press* story, Feb. 3, 1982, datelined Charleston, W. Va.:

(West Virginia) Motor Vehicles Commissioner Virginia Roberts said Wednesday that her office has been forced to mail 196,000 warnings to drivers that their insurance is about to expire, and that almost all of the warnings were wrong.

Mrs. Roberts said her department has been snowed under by paperwork, and that her office now looks like "the biggest ant hill in Charleston."

She said that since October, when the law took effect, the DMV (Department of Motor Vehicles) has mailed 196,000 notices but "95 percent were to people who

never had their insurance terminated, but paid late."

In addition, Mrs. Roberts said, state police have been asked to confiscate 2,584 driver's licenses from people who, according to DMV records, have failed to renew their insurance. But once again, 95 percent of those policies probably have been brought up to date, she said.

The additional paper work heaped on the DMV has forced the agency to seek more office space, which will cost \$94,000 a year to rent, she said.

'Biggest mistake I've made,' says legislator

Excerpt from *Associated Press* story, Feb. 3, 1982, datelined Charleston, W. Va.:

Delegate William Carmichael, R-Jackson (W. Va.), confessed that he voted for the (compulsory insurance) law last year but called that decision "the biggest mistake I've made since I've been in the House of Delegates for eight years."

'People are upset out there'

Excerpt from *Charleston (W. Va.) Daily Mail*, Feb. 3, 1982:

Delegate George Farley, D-Wood, also an insurance agent, said: "I don't remember anything this Legislature has ever passed that has upset the citizens of this state as much as this (compulsory insurance) law has... I've been close to fist fights at times. My only out is to tell them I didn't vote for it. People are upset out there."

'...The law is a farce'

Excerpts from a *National Underwriter* story, Jan. 5, 1979:

"The (Louisiana) law was not put into effect until July 1, 1978. The Office of Motor Vehicles was allocated \$1.2 million for the 1978-79 fiscal year to enforce the law. Beginning in January, 1979, 16 special officers will begin picking up licenses of offenders, another 10 officers were expected to be in the field by March and their full-time job will be following up revocation notices. Leroy Havard, assistant secretary of state, estimated there is

about 83 to 84 percent compliance with the liability law."

.....

Louisiana Insurance Commissioner Sherman Bernard commented on the law later in the article: "I honestly believe the law is a farce. It has been forced on the people. I don't believe it is fair for a state to say you have to buy insurance..."

'MORALLY AND SOCIALLY WRONG'

Excerpts from a report commissioned by the Joint Legislative Automobile Liability Insurance Study Committee, State of South Carolina. The report was prepared by Dr. John W. Hall, chairman, Insurance Department, Georgia State University.

"The compulsory liability insurance system is expensive to enforce, with only minimal increase in the percentage of drivers who are insured..."

"The system forces people to pay high premiums relative to their income for benefits for others when they cannot themselves afford adequate benefits to cover their own loss...the more affluent...must carry relatively high liability insurance limits for the benefit of others. At the same time, the less economically well-to-do will purchase the minimum benefits which are totally unsatisfactory...for these reasons it appears morally and socially wrong to require liability insurance as a condition precedent to enjoying the privileges of automobile driving and ownership."

Practically anyone who chooses to drive without insurance can do so

The lead editorial from *The Journal of Commerce and Commercial*, Nov. 20, 1981:

ON THE FACE OF IT, laws requiring automobile owners to carry liability insurance—financial protection for others—seems to be the only route to follow.

However, closer examination of the such legislation, which prevails in one form or another in some 30 states, leads to a number of questions and more often than not produces answers that do not support compulsory automobile liability coverage.

While many laws are difficult to enforce, compulsory auto coverage, in many instances, is virtually impossible to enforce.

Insurance is designed to protect the assets of prudent people. To fulfill that objective the insured must (1) have assets to protect and (2) be prudent. Persons meeting those criteria invariably voluntarily buy liability or third party automobile insurance.

But there are those in our society who neither have assets nor are prudent. Yet often they own and operate cars. They simply do not insure them—regardless of the law.

There are so many ways to circumvent compulsory auto coverage laws that for the purposes of this community suffice to say that practically anyone who chooses to drive without insurance, where the statute requires it, can do so almost with impunity.

With law enforcement agencies being pressed from every side to crack down on crimes of violence it is most difficult to get the police or even the state's motor vehicle departments into high gear to chase uninsured motorists.

WHILE WE BELIEVE all motorists should be strongly encouraged to act as prudent people, which is akin to being in favor of country and motherhood, we do not see

how that ideology can be enforced.

We would rather see broad first party coverages provided for the insurance buying motorist and family. In this manner the prudent person can act to protect his own interests and that of his family by having his own insurance company come in with coverage not carried by the other driver.

We also would look for a no-fault system with a realistic threshold and some type of uninsured motorists assessment, which probably would be easier to enforce and be less onerous for all involved than compulsory insurance.

In our view it is unrealistic to expect a person without assets to spend as much as \$1,000, or even more, to protect what he does not have. Rather, we think that the prudent motorist with something to lose should act to protect himself against the uninsured.

Simply stated, you can't legislate morality and, in our opinion, that is what compulsory liability insurance attempts to do.

THE RESULT IS predictable. The immoral or amoral ignore or skirt the law but continue to drive while the bulk of the motoring public continue to pay the insurance bill.

For our part we think it's more economic and more intelligent to establish and support a system that provides a more realistic alternative.

Meanwhile, we would rather see governmental authorities marshal more time and effort to clearing the highways of drunk and reckless drivers—areas we believe are far more sensitive and cry out much louder for police action than do matters of mandated insurance coverage.

Misdirected. . . Inefficient. . . Ineffective

Following is the conclusion from the "summary analysis of program effectiveness and efficiency of the California Compulsory Financial Responsibility Program," conducted for the California Department of Motor Vehicles, December, 1976:

"From an overall standpoint, the Compulsory Financial Responsibility Program shows indications of being:

Misdirected. . . The program is punishment oriented rather than protection or prevention oriented.

Inefficient. . . If all social costs associated with this program are considered, this program is almost certainly a social liability from a cost-benefit standpoint.

Ineffective. . . Less than one-half of one percent of the drivers in California are financially responsible as a consequence of this program."



Alaska State Legislature

SENATE

Official Business

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

MEMORANDUM

To: Senator Dick Eliason
Senate Labor and Commerce Committee

From: Senator Jack Coghill *JAC*

Re: Mandatory Auto Insurance

Date: April 5, 1989

Attached you will find a copy of a letter from another one of my constituents that has experiences a problem with our present system of motor vehicle laws, as they relate to auto insurance.

I suggest that lengthy Labor & Commerce hearings be held this interim to address the ten points raised in Arleen Burgess's attached letter.

You will note that several of the issues raised in the letter also have bearing on Judiciary Committee work. Therefore, I have also notified Senator Faiks of my concern in this area.

488-0577

(1)

March 18, 1989

Robert & Arleen Burgess
3721 Silver Leaf Ave.
North Pole, Ak 99705

Senator Jack Coghill
~~South~~ P.O. Box V
Juneau, Ak 99801

Dear Mr. Coghill,

I would like to update you as to the results of my husband's appeal in the District and Superior Courts to the action taken by the D.M.V. against his driver's license. As you may recall, my husband and I spoke to you briefly in North Pole about a six point speeding citation he received while operating a motorcycle in Sept. 1986. After numerous attempts by us to get liability coverage for this vehicle at the time we placed it on the highway system (April 1986), and for several months after, we could not find an independent insurance agent in Fairbanks to provide coverage, or an alternative for us to meet state requirements. The grave implications of the department's action on my husband's means to provide a livelihood for our family, left us no choice but to exercise his right of appeal against the department's decision to suspend his driver's license. He is a professional truck driver and was employed as such at that time. He is now ~~to~~ unemployed and work in his

field looks pretty bleak with a suspended license.

After more than two years in the court system, we found his right to appeal amounted to no right at all. The District Court questioned the constitutionality of the mandatory insurance law and ruled in our favor. The Superior Court overturned the lower court's decision and we ran out of money to appeal higher. Imagine how we felt when the District Court Judge had no authority to establish degree of penalty or to consider our circumstances when pronouncing sentence. After several appeals to the Attorney General representative during sentencing to consider the circumstances of our case and two other cases being heard along with ours and drop the penalty, the representative's unwillingness to do so left him no choice but to suspend the driver's license and require proof of future financial responsibility.

My husband's prosecution by the administration was a massive abuse of their power over a person's driver's license. Our circumstances included the attempt to the best of our ability to get coverage on this type of vehicle, the fact that our other vehicles had continuous coverage for the previous 14 years, we were misled by several insurance companies that coverage for this vehicle was not available, no liability was incurred, and

we had sellable assets to cover the state's minimum requirements for liability.

Not only was their abuse directed at my husband, but I too suffer because of regulations by insurance companies toward married women, I am now considered a high risk because we occupy the same household. I have a clean driving record and have never been stopped let alone had any action taken against my record. What happened to my right to fair and equal treatment? Did I receive it by being punished along with my husband?

Please ask your colleagues the following questions. I cannot get them answered by the administration.

1. Why are insurance companies allowed to practice in this state when they cannot provide the coverage the state's law required? Getting the required coverage available to drivers six to eight months after the law went into effect victimizes those drivers.
2. Why was the enforcement of this law selective to those unfortunate few who found themselves involved in an accident or issued a six point citation?
3. Why did the law apply only to those living in urban areas? Are there no accidents involving liability in rural areas?
4. Why were drivers not informed of a mandatory insurance when purchasing