

LDIR#108

**NOV.1964 MOTOR
VEHICLE SAFETY
RESPONSIBILITY
ACT STUDY**

1 IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST
OF THE LEGISLATIVE COUNCIL

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Motor Vehicle Safety
7 Responsibility Act; and providing for an
8 effective date."

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

10 * Section 1. AS 28.20 is amended by adding a new section to
11 read:

12 Sec. 28.20.045. ACCIDENT REPORTING. (a) The driver
13 and owner of a vehicle involved in an accident resulting in
14 bodily injury to or death of a person or damages to the
15 property of any one person exceeding \$200 shall, in addition
16 to any other report required by law, within five days after
17 the date of the accident, mail a written report to the
18 department.

19 (b) The report required by (a) of this section shall be
20 on a form provided by the department and shall include space
21 for reporting insurance information as required by the depart-
22 ment.

23 (c) It shall be the responsibility of the owner, if he
24 is not the driver, to provide the necessary insurance in-

26 * Sec. 2. AS 28.20.050 is amended to read:

ALASKA AUTOMOBILE ASSIGNED RISK PLAN
114 Sansome Street
San Francisco 4, California
YUkon 1 -2066

File

Thos. G. Aston, Jr.
Manager

September 28, 1961

TO ALL SUBSCRIBERS TO THE ALASKA AUTOMOBILE ASSIGNED RISK PLAN:

Re: **ASSESSMENT NO. 2**

Statement of Cash Receipts and Disbursements

Pursuant to Section 5 of the Alaska Automobile Assigned Risk Plan the Governing Committee has levied an assessment of \$1,500.00 to cover the estimated cost of administration of the Plan for the fiscal year which began July 1, 1961.

The attached assessment lists all the insurers transacting both bodily injury liability insurance and automobile property damage insurance in the State of Alaska. Column one lists the amount of each insurer's net direct automobile bodily injury premium writings in this State for the calendar year 1960. Column two shows the proportion or percentage of each insurer's premiums to the total premiums. Column three shows each insurer's proportionate share of the present assessment in accordance with their percentage to the total premium.

Also attached is a true and correct statement of all receipts and disbursements for the fiscal year ended June 30, 1961.

Please note the amount of your Company's assessment and mail check to the order of the Alaska Automobile Assigned Risk Plan. May we urge that you mail your remittance promptly.

Respectfully submitted,

Thos. G. Aston, Jr.,
Manager

P. O. Box 1313
Juneau, Alaska

August 28, 1964

Sergeant Gerald O. Williams
Department of Public Safety
Division of State Police
P. O. Box 2719
Juneau, Alaska

Dear Jerry:

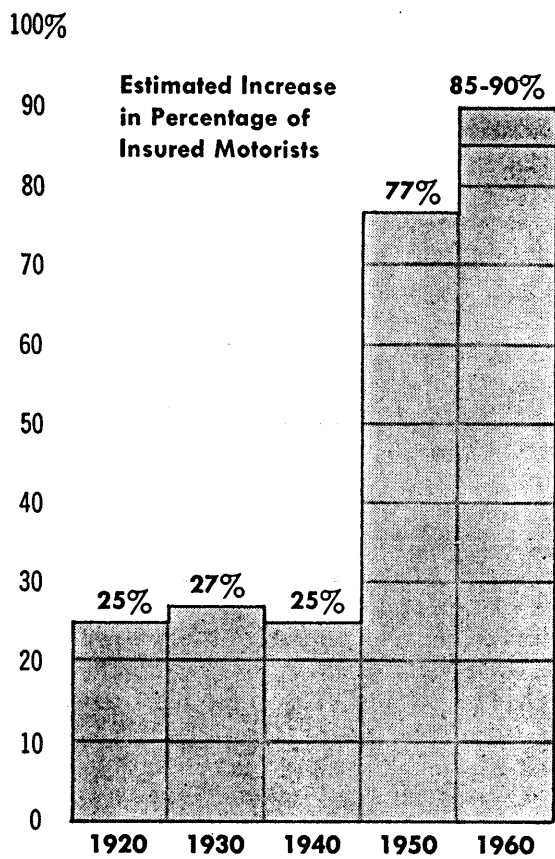
On August 26 you and I discussed the working of the Safety Responsibility Law of Alaska. Also, the loss experience of the "assigned risk" plan and the premium volume shown for last year. The conversation worked around to the cost of premiums charged to some individuals for automobile insurance.

For the two years this office has been open, and for at least three years before that, the Alaska insurance agents have been very concerned regarding rates quoted and charged to some auto drivers between the ages of 16 and 25 years, those in the high age groups and those having moving violations. There is no question that these persons have caused the majority of the accidents and truly justifies an increased rate. As we say in the industry, "There is no question they will have a loss -- only when will it happen and how much will it cost."

However, our concern is that one or more insurers are seemingly charging rates well in excess of their filed rates. This has been reported, by our members, several times to the Insurance Division in the past years. This is not to the liking of the majority of the agents or companies licensed in the state, for we all still receive the criticism even though it is beyond our control. True, there is a limited market for those persons falling into the category of "hazardous drivers" because of their extremely high loss experience. They are the reason the assigned risk plan was formed -- the sharing of these drivers by all the companies doing business in the state.

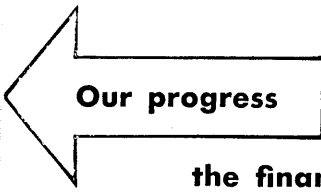
Those insureds identified in the hazardous driver classification and placed in the assigned risk plan, will have a rate only a little higher than the so called "manual rate". The original "plan", as I wrote it, called for a 5% increase to pay for the plan, with a possible 10% additional increase because of poor driver experience in that classification. I understand there has been a minor rate increase in this plan since 1959.

We find the assigned risks are decreasing in number and that last year the plan may have shown this to have been profitable. Normally the assigned risk experience shows a loss experience well in excess of 125%. However,



Registered Vehicles	1920	1930	1940	1950	1960
	9,239,161	26,531,999	32,453,233	48,945,000	73,901,471

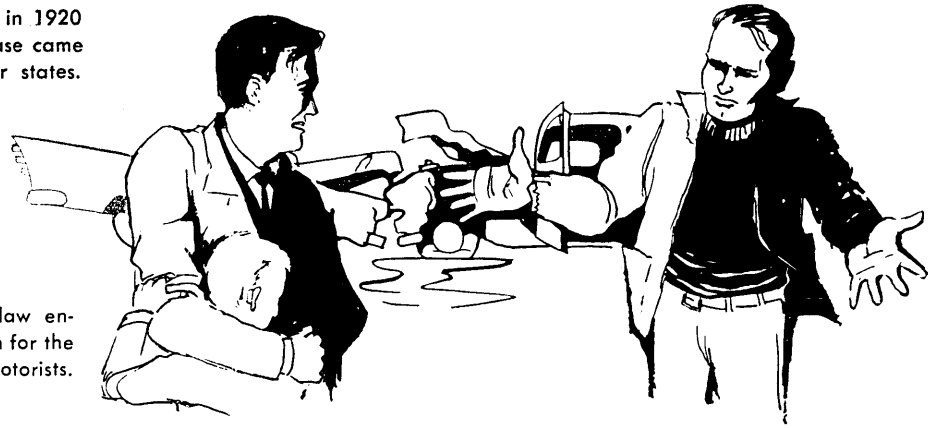
Financial responsibility laws, in effect in most states, have been of widespread public benefit by helping increase the number of insured motorists from 25 per cent in 1920 to some 90 per cent today. The sharp 1950 increase came after passage of FR laws in the majority of our states.



Our progress in establishing the financial responsibility of drivers is clearing the highways of

Those Menacing Motorists

Sound FR laws and improved law enforcement are assured protection for the innocent against irresponsible motorists.



WHEN A SAUDI ARABIAN motorist is at fault in a nonfatal accident, he receives a one-year prison sentence and loses his driving privilege for life. If an offending driver survives a mishap fatal to anyone else, he's beheaded without hesitation.

Such extreme measures have not as yet been tried in this country to remove the financially ir-

ALASKA AUTOMOBILE ASSIGNED RISK PLAN
114 Sansome Street
San Francisco 4, California

Mailed
10-5-59

BULLETIN NO. 1

TO ALL SUBSCRIBERS TO THE ALASKA AUTOMOBILE ASSIGNED RISK PLAN:

Re: ALASKA AUTOMOBILE ASSIGNED RISK PLAN
EFFECTIVE OCTOBER 1, 1959

All insurers writing direct automobile bodily injury liability insurance in the State of Alaska have now subscribed to the Plan which was approved by the Commissioner of Insurance pursuant to Section 60, Chapter 163, Alaska Laws 1959.

The Plan became effective October 1, 1959 and is applicable to all Alaska automobile risks that are entitled to automobile bodily injury and property damage liability insurance in this State but are unable to secure it for themselves.

The Governing Committee of the Arizona, California, Montana and Nevada Assigned Risk Plans was appointed by the Commissioner of Insurance to serve as the Governing Committee of the Alaska Assigned Risk Plan until the first annual meeting. The Governing Committee appointed Thos. G. Aston, Jr., 114 Sansome Street, San Francisco 4, California, as Manager of the Plan.

DISTRIBUTION OF PLAN - The Governing Committee has authorized automatic distribution of copies of the printed Plan to all holders of the Alaska Automobile Manual published by the National Bureau of Casualty Underwriters through their Central Distribution System. They will be mailed in the near future.

Subscribing insurers who are not members nor subscribers to the National Bureau should order their required copies of the Plan from the Supply Division of the National Bureau of Casualty Underwriters, 60 John Street, New York 7, N. Y.

STANDARD APPLICATION FORM - All carriers should immediately order their required quantity of standard applications, form WC 3230B, directly from the Supply Division of the National Bureau and make prompt distribution of adequate supplies of this form to their producers in the State of Alaska.

Yours very truly,

Thos. G. Aston, Jr.,
Manager

ALASKA AUTOMOBILE ASSIGNED RISK PLAN
114 Sansome Street
San Francisco 4, California
YUkon 1-2066

Thos. G. Aston, Jr.,
Manager

October 14, 1960

BULLETIN NO. 1

TO ALL SUBSCRIBERS TO THE ALASKA AUTOMOBILE ASSIGNED RISK PLAN

REPORT OF OPERATIONS
PERIOD OCTOBER 1, 1959 THROUGH JUNE 30, 1960

Attached is a report by insurers for the operations through the period ending June 30, 1960. 21 insurers or groups participated.

Applications processed	162
Assignments made (new)	107

Credits for Assignments Completed

New	98
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Files Closed

Declared ineligible	5
Not taken by applicant	9
Cancelled by insured	3
Cancelled by company	1

Types of Vehicles Covered

Private passenger	80
Commercial	15
Non-owner	2
Miscellaneous	1

MEMORANDUM

State of Alaska

TO:

John C. Doyle
Executive Director
Legislative Council
Attn: Jane F. Asher
Revisor of Statutes

DATE : September 4, 1964

FROM:

A. H. Romick, Commissioner
Department of Commerce

SUBJECT: Motor Vehicle Safety
Responsibility Act

A. W. Lingle, Director
Banking, Insurance and Securities

In regard to your request of August 5, 1964 for information from this office in connection with the Motor Vehicle Safety Responsibility Act, we are enclosing reports from the Manager of the Alaska Assigned Risk Plan, as well as various bulletins which might be of some help to you in the study to be taken as directed by Senate Concurrent Resolution No. 15.

As you are aware no doubt, this office has very little to do with the administration of the Act except to see that insurance coverage can be obtained when a driver has been denied coverage through regular channels. This was accomplished by the approval of an Assigned Risk Plan of the National Bureau of Casualty Underwriters. Through the combined efforts of the Industry, Department of Public Safety and the Insurance Commissioner a plan was adopted and instituted, effective October 1, 1959. The Managership of the plan was given to Thomas G. Afton of San Francisco.

The plan appears to be working satisfactorily. All companies writing Auto B.I. and P.D. are required to join the plan.

One area for complaint is that it appears in several instances agents delay placing applications with the Plan. This office has on several occasions had to intervene and demand that the agent get the necessary coverage.

Although there is no printed rule, it is thought to be general practice of the industry to make application with the Plan after the second denial by a carrier. This apparently is not always the case, and if the agent can place coverage with a carrier writing sub-standard risks he will do so. It is to his advantage as commissions allowed under the plan are considerably less than what would be from the sub-standard business. Sub-standard business results in a higher surcharge to the premium and in most instances amount to at least 300% increase in rates which makes for a very dissatisfied insured.

A possible solution to the problem would be an amendment to the Financial Responsibility Act for a more definite procedure to be followed.

For your information and perusal we are also enclosing a copy of the "Assigned Risk Plan" adopted for Alaska.

L.B.

ALASKA AUTOMOBILE
ASSIGNED RISK PLAN
114 SANSOME STREET
SAN FRANCISCO 4, CALIFORNIA

—
EFFECTIVE OCTOBER 1, 1959
—

Distributed by
NATIONAL BUREAU OF
CASUALTY UNDERWRITERS
60 JOHN STREET, NEW YORK 38, N. Y.



DEPARTMENT OF PUBLIC SAFETY

September 11, 1964

TO: Director John C. Doyle
Alaska Legislative Council

ATTENTION: Jane F. Asher
Alaska Legislative Council

FROM: Commissioner Martin B. Underwood
Department of Public Safety

RECEIVED
SEP 25 1964
ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

SUBJECT: Departmental Review, Comments and Report of Program Operation
re: Title 28 Chapter 20 Alaska Safety Responsibility Act
(AS 28.20).

I. The following is submitted at your request pursuant to CS for Senate
Concurrent Resolution #15, Third Legislature Second Session:

The intent of the law as set out in Sec. 010 is well stated. Fortunately
it has been administered with considerable discretion and extreme leniency
resulting in few bonafide criticisms on the part of the public. To enforce
the statute to the "letter of the law" would be unduly harsh and would
create a paper work administrative monster much too large for the Department
to handle effectively.

As an example, the Department has been reluctant to rigidly enforce the
following 12 provisions of the act:

1. The statute is applicable to every accident involving personal injury
or death or property damage to one person in excess of \$200 that occurs on
public highways in this State and elsewhere throughout the State.
(AS 28.20.050 (a), 28.20.610) This language could support an application
of the act to accidents occurring on private parking lots, trailer court
roads, military reservations and other locations which are not deemed
public highways. We have already pointed out to the legislature the
anomalous situation wherein no other traffic laws seem to apply on these
locations, not even our reckless and drunken driving statutes.

The act requires suspension for failure to deposit security "upon the
expiration of 10 days after the notice is sent". (AS 28.20.050 (d); &

SCR No 15 Study A.S. 28.20 MVBR Act.

✓
Aug 4. Letter to Dept of Public Safety & Revision of Insurance. (Phoned Aug 4 & told them I'd confirm by letter)

check regulations issued by P. Safety.

✓
Aug 6. Read & use parts of study I did in 1958. See if it needs to be brought up to date.

Introduced: 3/4/64
Referred: Judiciary

1 IN THE SENATE

BY SENATORS KILCHER, BEGICH,
HOPSON, BRONSON, OWEN AND HANSEN

2 SENATE CONCURRENT RESOLUTION NO. 15

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 Relating to a study of the administra-
6 tion and effectiveness of the Motor
7 Vehicle Safety Responsibility Act.

8 BE IT RESOLVED BY THE SENATE, THE HOUSE OF REPRESENTATIVES CON-
9 CURRING:

10 WHEREAS, the Motor Vehicle Safety Responsibility Act (AS 28.-
11 20) was approved by the Legislature in 1959; and

12 WHEREAS, this Act is of the type which has so much regulatory
13 and economic impact on individual citizens of the state that it
14 requires periodic review as to its administration, effectiveness
15 and need for revision; and

16 WHEREAS, this Act has a particularly vital impact on owners
17 and operators of motor vehicles, state and local law enforcement
18 agencies, and insurance companies;

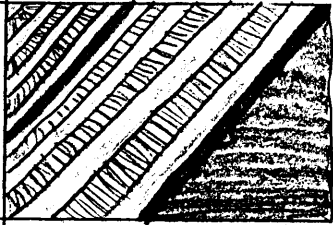
19 BE IT RESOLVED that the Legislative Council is directed to
20 review and report on the administration and effectiveness of the
21 Motor Vehicle Safety Responsibility Act (AS 28.20) and to include
22 in its report and recommendations to the first regular session of
23 the Fourth Legislature any suggestions for revision of and
24 alternatives to the Act.

25

26

INTERIM ASSIGNMENTS 1964

Janis Usher

SUBJECT	STATUS
1 - APA HEARING PROCEDURES. Review of procedures required and what exceptions should be had.	<i>DD will start.</i>
2 - EMERGENCY STUDY AND LEGISLATION (SCR #21). Assignments of Council, staff action under resolution, and requests of Finance Committees meeting during the recess.	
3 - INCOME TAX (withholding by fish processors and buyers - SCSHB #411). "...hold hearings at places to be determined by the Council and at times convenient to fishermen, processors and fish buyers in order to determine possible means of insuring receipt of state income taxes without resort to withholding amounts from purchase prices paid for fish and fish products. The... shall develop any such proposals into alternate plans either in the form of bills or administrative regulations, prepare a report on the feasibility of these alternate plans and submit the foregoing to the First Session of the Fourth Legislature for its consideration."	<i>Donna & Jon hearings in Aug.</i>
4 - LEGISLATIVE OVERSIGHT. Review of regulations of Department of Health and Welfare and Department of Labor. Review of Attorney General and Supreme Court opinions published since last review report.	<i>D.D. will start analysis of what dept does.</i>
5 - LEGISLATURE, ACTING AS ASSEMBLY FOR UNORGANIZED BOROUGH. Subject matter of HB #333 in light of Sec. 6, Art. X, Constitution, referred to staff for analysis and report.	<i>Bill for permanent, Gregg</i>
6 - MEDICAL PRACTICES ACT. Medical Association will be giving final action to its version this May. Association will ask Council to review and consider introduction in 1965.	

ALASKA LEGISLATIVE COUNCIL



MEMORANDUM ON
MOTOR VEHICLE STUDY
and
SUPPLEMENTARY MEMORANDUM
on
FINANCIAL RESPONSIBILITY

February, 1959

Box 2199
Juneau, Alaska



Jane Asher
marked with section
numbers of the bill
Senate Bill

ALASKA LEGISLATIVE COUNCIL

THE ALASKA MOTOR VEHICLE SAFETY RESPONSIBILITY ACT

A review of its administration
and effectiveness, and recom-
mendations for revision.

March

1965

Big Gains for Auto Victims

Laws protecting the public against irresponsible drivers were improved in a number of states this year.

ONE OF THE MOST TUMULTUOUS state legislative years in recent times has brought about major improvements in the financial protection afforded victims of auto accidents. During the 1965 legislative sessions, major legislation to improve financial responsibility (FR) laws was enacted.

These new laws, winnowed out of some 7,000 insurance-related bills tossed into the legislative hoppers in 47 states this year, give motorists a strong inducement to see that they are financially able to pay for injuries and property damage they may inflict with their vehicles.

One of the comprehensive jobs of improving FR laws was accomplished in Oklahoma. The state has had an FR law on the books since 1949. But this year's legislature agreed that it lacked muscle and proceeded to do something about it.

The Oklahoma Department of Public Safety consulted with many groups, including representatives of the insurance industry, regarding the problem created by the state's financially irresponsible motorists. From these numerous discussions developed the strengthened legislation which was enacted last June.

Oklahoma's FR law calls for operators of motor vehicles involved in auto accidents resulting in death, injury to a person, or property damage of more than \$100, to make a written report within 10 days to the Department of Public Safety. In addition, motorists must meet the financial requirements of the state's law as amended. Meeting these requirements poses no problem to the majority of

motorists in Oklahoma who carry auto liability insurance. Uninsured drivers, however, are required to deposit security in the amount that the Department of Public Safety determines will cover damages or injury caused to others in an accident. In addition, they must file with the Department of Public Safety proof that they are financially able to pay for accidents they may have in the future, and maintain such proof for three years.

If an offending motorist fails to comply with the FR law's demands within 10 days of notification by the department, he is no longer allowed to operate a motor vehicle. He loses his driver's license and vehicle registration. This suspension continues until he files proof of financial responsibility, at which time he must pay a \$25 reinstatement fee.

Oklahoma's amended law also provides that its residents involved in accidents in other states with laws providing for suspension or revocation of driving privileges because of failure to deposit security

Financial responsibility laws have been the major factor in increasing the percentage of insured motorists from less than 25 per cent in the 1920s to an estimated 90 per cent today. States with strong, effectively enforced FR laws are successfully ridding their highways of motorists who shun their financial obligations. Prudent drivers can obtain additional protection for themselves, their families and auto guests through inexpensive uninsured motorist coverages. The chart on the adjoining page shows the scope of each state's FR law, liability insurance requirements and types of uninsured motorist coverages available.

Jane Asher



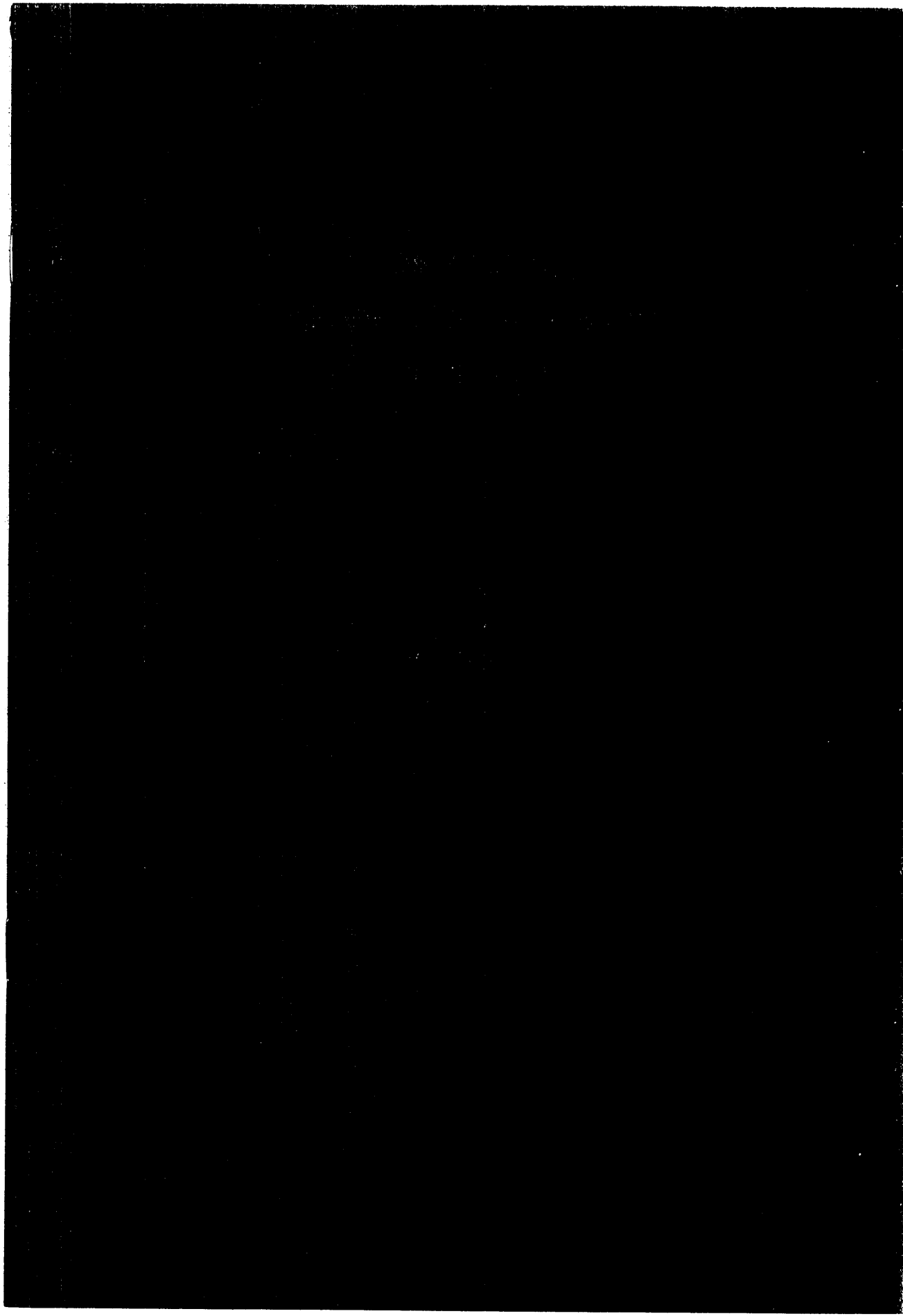
ALASKA LEGISLATIVE COUNCIL

STAFF BACKGROUND REPORT

THE ALASKA MOTOR VEHICLE SAFETY RESPONSIBILITY ACT

November

1964



LAWS FOR RESPONSIBILITY

States	Motorists involved in accidents must furnish security in all states. Where listed, motorists must produce proof of financial responsibility for the designated number of years (e.g. P-3)	Upon conviction of traffic violation, uninsured motorist must produce proof of financial responsibility for number of years shown.	In event of judgment against uninsured motorist he must satisfy it in all states and, where listed, show proof of financial responsibility for number of years shown.	Minimum Liability Limits (in thousands)	UM Coverages*
Alabama		3	3	5/10/1	
Alaska	P-3	3	3	10/20/5	
Arizona	P-3	3	3	10/20/5	UM-R
Arkansas		3	3	10/20/5	UM-R
California		3	3	10/20/5	UM-R
Colorado	P-3	3	3	10/20/5	UM-R
Connecticut		3		20/20/1	
Delaware		3	3	10/20/5	
D. C.		3	3	10/20/5	
Florida	P-3	3	3	10/20/5	UM-R
Georgia	P-1	1		10/20/5	UM-R
Hawaii		3	3	10/20/5	UM-R
Idaho		3	3	10/20/5	
Illinois	P-3	3	3	10/20/5	UM-R
Indiana	P-1	3	3	10/20/5	UM-R
Iowa		3	3	10/20/5	
Kansas		2	2	10/20/5	
Kentucky		3	3	10/20/5	
Louisiana		3	3	5/10/1	UM-R
Maine	P-3	3	3	10/20/5	
Maryland	P-3	3	3	15/30/5	
Massachusetts**				5/10	
Michigan		3	3	10/20/5	
Minnesota		5	5	10/20/5	
Mississippi	P-5	5	5	5/10/5	
Missouri		3	3	10/20/2	
Montana		3	3	5/10/1	
Nebraska	P-3	3	3	10/20/5	UM-R
Nevada		3	3	10/20/5	
New Hampshire	P-7	7	7	10/20/5	UM
New Jersey		3	3	10/20/5	
New Mexico	P-3	3	3	10/20/5	
New York**				10/20/5	UM
North Carolina**		2	2	5/10/5	UM-R
North Dakota		5	5	10/20/5	
Ohio		3	3	10/20/5	UM-R
Oklahoma	P-3	3	3	5/10/5	
Oregon	P-5	5	5	5/10/5	UM
Pennsylvania		3	3	10/20/5	UM-R
Rhode Island		1	1	10/20/1	UM-R
South Carolina	P-5	5	5	10/20/5	UM
South Dakota		3	3	10/20/5	
Tennessee	P-3	3	3	10/20/5	
Texas	P-5	5	5	10/20/5	
Utah		3	3	10/20/5	
Vermont	P-3	3	3	10/20/5	
Virginia		5	5	15/30/5	UM
Washington	P-3	3	3	10/20/5	
West Virginia		3	3	10/20/5	
Wisconsin		3	3	10/20/5	
Wyoming		3	3	10/20/5	

**These states have compulsory insurance

*UM-R (with right of rejection)

SOURCES:

American Mutual Insurance Alliance and American Insurance Association

UM (without right of rejection)

In states without UM laws, many insurers offer the coverage on an optional basis.

ALASKA ASSIGNED RISK PLAN

REPORT OF OPERATIONS

	10.1.59- 6.30.60	7.1.60- 6.30.61	7.1.61- 6.30.62	7.1.62- 6.30.63	7.1.63- 6.30.64
Appl. Processed	162	431	342	263	224

FILES CLOSED

Declared ineligible	5	17	9	10	7
Not taken by applicant	9	2	0	0	8
Cancelled by insured	3	38	40	37	31
Cancelled by Co.	1	2	3	4	11
Not renewed		17	111	118	127

TYPE OF VEHICLE COVERED

Priv. Passenger	80	250	316	280	252
Commercial	15	40	35	23	7
Non-owner	2	29	39	40	20
Scooter				1	1
Miscell.	1				8

APPEALS

To govern. committee		3	0	0	0
To insur. Comm.		2	0	0	0

CLASS. OF NEW RISKS

Under 25	38	76	84	71	43
SR-22 required	44	115	151	105	78
Overage (65+)	14	16	9	15	16
Servicemen	9	3	12	0	4
MV Viol. (No SR-22 req.)	1	9	8	9	12
Exper. Losses	3	13	16	19	15
Impaired Phys.	3		3	3	1
Not other class.	2		6	2	2

REASON SR FILING REQUESTED

Neg. homicide	1	0	0	0	0
Drunk driving	24	53	80	54	37
Unsat. Judgement	1	0	0	0	0
Hit/run	1	0	4	1	1
Misc. MV. Sec.	16	36	51	31	27
Uninsured Acc.		26	16	19	13

ALASKA COURT SYSTEM
OFFICE OF THE ADMINISTRATIVE DIRECTOR

No. 64 - 12

June 4, 1964

ADMINISTRATIVE OFFICE BULLETIN

TO: Superior Court Judges
District Magistrates
Deputy Magistrates
Clerks of Court

FROM: Administrative Director

SUBJECT: Revocation, Suspension or Limitation of Motor Vehicle
Operators' Licenses



Chapter 17, Session Laws of Alaska 1964, (amending AS 28.15) transfers from the Department of Public Safety to the court system the duty and responsibility to limit, suspend or revoke motor vehicle operators' licenses in particular cases. The types of cases in which the authority exists are specified in AS 28.15 as amended by Ch. 17, SLA 1964. The department retains important record-keeping and other functions regarding these licenses, and this bulletin outlines procedures to be followed by all courts to insure reporting of necessary information to the department and full compliance with the new law, which becomes effective on June 10, 1964.

Upon determination by any court, in cases as specified by AS 28.15 as amended, that a motor vehicle operator's license is to be limited, suspended or revoked, the following steps are to be taken:

1. Require immediate surrender to the court of the operator's license. It is important this be done at the time of sentencing to avoid the necessity for later police action to locate the licensee to secure the license.

Introduced: 3/4/64
Referred: Judiciary

1 IN THE SENATE

BY SENATORS KILCHER, BEGICH,
HOPSON, BRONSON, OWEN AND HANSEN

2 SENATE CONCURRENT RESOLUTION NO. 15

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 Relating to a study of the administra-
6 tion and effectiveness of the Motor
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17 and operators of motor vehicles, state and local law enforcement
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20 review and report on the administration and effectiveness of the
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22 in its report and recommendations to the first regular session of
23 the Fourth Legislature any suggestions for revision of and
24 alternatives to the Act.

25

26

27

Compulsory Insurance

The theory of compulsory insurance is based upon the assumption that by requiring every motorist to be covered by insurance the insured responsible motorist will be protected from the irresponsible uninsured driver.

I. The Law in Operation.

A. Massachusetts

The Massachusetts Compulsory Law, the first such legislation in the United States, remains basically unchanged from the Act's original passage in 1927. Under the Act no car can be registered in the state unless it is covered by liability insurance or a substitute form of security. The Law is applicable to all owners of motor vehicles registered in the state and to those owners whose vehicles will be in operation within the state boundaries for more than 30 days in any given year.

Aside from the requirement that coverage be coterminous with registration, the only further requirement is that coverage extend to the owner's liability on the highways of the Commonwealth. Extra-territorial coverage is not required.

Operation of the motor vehicle without compulsory insurance is punishable by a fine of from \$100 to \$500 or imprisonment for one year and registration of the vehicle is subject to revocation. Upon renewal of registration the owner of a vehicle must file a new certificate of insurance as evidence of compliance with the requirements of the Law.

B. New York

The 1956 New York Compulsory Insurance Law went into effect in 1957. The Act requires that each motor vehicle registered or operated in the state must be covered by a policy of insurance meeting the minimum

Unsatisfied Claim and Judgment Fund

It is believed that the establishment of an unsatisfied claim and judgment fund does not provide a satisfactory "solution" to the uninsured motorist problem, because it does not create a system which will induce motorists who have not filled their obligation of responsibility for their acts of negligence to begin assuming this obligation. Furthermore, that the establishment of an unsatisfied claim and judgment fund provides for a system which is administratively burdensome and economically unsound. A review of "fund" operations in two states, Maryland and New Jersey, indicates the veracity of the above statements.

New Jersey Fund Operation.

The New Jersey UCJF Law was enacted in 1952, and was made applicable to accidents occurring on and after April 1, 1955. At the same time, New Jersey enacted strengthening amendments to its Financial Responsibility Law which immediately went into effect.

In 1952, it was estimated that 60 or 65% of New Jersey's motorists were insured. However, in April, 1955 when the Unsatisfied Claim and Judgment Fund Law went into effect, it was estimated that 80-85% of the motorists in New Jersey were insured. Obviously, the increase of about 20% in the number of insured motorists can only be attributed to the inducement provided by the Financial Responsibility Law at a time when the UCJF Law was not in effect. It is estimated that today, approximately 90-93% of New Jersey's motorists are insured, indicating once again that the greatest incentive for New Jersey's motorists to become financially responsible has been the enactment and operation of the Financial Responsibility Law, and not the enactment of an Unsatisfied Claim and Judgment Fund Law.

EXHIBIT A

State of Maryland

Unsatisfied Claim and Judgment Fund

Cumulative Claims Experience Report

June 1, 1959 through June 30, 1964

Type Claim	NEW CASES		REFORMED		CLOSED W/O PAYMENT		CLOSED WITH PAYMENT		OUTSTANDING		
	No.	Reserve	No.	Reserve	No.	Reserve	No.	Reserve	Payment	No. Reserve	
B.I.	9902	13,627,155	386	4,15,915	4250	4,105,230	2523	5,169,110	4,876,261	3515	4,768,730
P.D.	2917	1,812,160	255	88,245	3241	845,740	1987	752,970	716,877	944	301,695
<u>Total</u>	<u>15,019</u>	<u>15,439,315</u>	<u>641</u>	<u>504,160</u>	<u>7491</u>	<u>4,950,970</u>	<u>4510</u>	<u>5,922,080</u>	<u>5,593,138</u>	<u>4459</u>	<u>5,070,425</u>
Ped.	1184	2,239,245	36	56,050	622	736,635	271	807,810	880,922	327	752,850
H & R	546	943,350	26	40,450	207	265,300	77	229,750	261,832	288	488,750
0011.	1515	560,430	39	19,575	888	279,942	635	274,944	283,571	31	25,119

TELEPHONE
761-4500



STATE OF MARYLAND
UNSATISFIED CLAIM AND JUDGMENT FUND BOARD

6601 RITCHIE HIGHWAY, N. E.

GLEN BURNIE, MARYLAND

August 19, 1964

RECEIVED
AUG 24 1964
ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

M's Jane F. Asher, Revisor of Statutes
Alaska State Legislature
Box 2199
Juneau, Alaska

Dear M's Asher:

State Insurance Commissioner Sears has turned over to me your letter of August 10 requesting information on the Maryland Unsatisfied Claim and Judgment Fund.

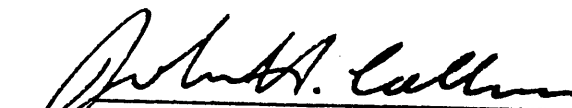
I am attaching herewith:

1. Copy of our Law.
2. Copy of the Fifth Annual Report.

The Sixth Annual Report is in the process of preparation and I hope to send it to you within the next several weeks.

After studying this material, if there are any other questions, do not hesitate to write.

Very truly yours,


John H. Calhoun, Manager

JHC:mar
Encls.

*Association of Casualty
and Surety Companies*

RECEIVED
SEP 8 1964

ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

110 WILLIAM STREET
NEW YORK 38, N. Y.

RICHARD C. WAGNER, ASSISTANT GENERAL MANAGER

August 10, 1964

Mr. John G. Doyle, Executive Director
Legislative Council
Alaska State Legislature
Box 2199
Juneau, Alaska

Attention: Jane F. Asher

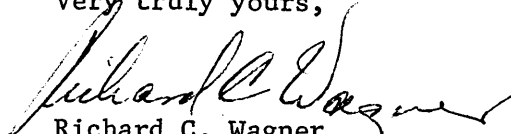
Dear Miss Asher:

In reply to your letter of August 6 our Four Chart Analysis of Motor Vehicle Financial Responsibility and Related Laws has been brought up to date and I am pleased to enclose copy of our December 1963 edition.

Recently the three national insurance trade associations devised a program for both safety and improvement of financial responsibility laws which are covered in the enclosed pamphlet, Program For Responsibility On Our Highways. In the light of the resolution, I thought the council would be interested in the financial responsibility recommendations.

If there is any further way we can be helpful, please do not hesitate to call on us.

Very truly yours,


Richard C. Wagner
Assistant General Manager

RCW:ID
Enc.

JOHN A. LOVE, Governor



State of Colorado

OFFICE OF THE

COMMISSIONER OF INSURANCE

STATE OFFICE BUILDING
DENVER

August 12, 1964

J. RICHARD BARNES, C. L. U.
Commissioner



Jane

ROBERT L. BROWN
Deputy Commissioner

RECEIVED
AUG 17 1964

ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

The Honorable John C. Doyle
Executive Director, Alaska State Legislature
Legislative Council
Box 2199
Juneau, Alaska

Attention: Jane F. Asher
Revisor of Statutes

Dear Mr. Doyle:

In reply to your August 6, 1964 letter, we would advise that this Department is not aware of any additional reports, or studies since the one you mention in 1958.

This Department would be most interested in a copy of your study, and we thank you in advance for your kind offer to send us one when completed.

Very truly yours,

ROBERT L. BROWN
Deputy Commissioner
of Insurance

RLB:br



STATE OF CONNECTICUT
DEPARTMENT OF MOTOR VEHICLES
STATE STREET WETHERSFIELD 9, CONNECTICUT

August 13, 1964

RECEIVED
AUG 19 1964

ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

Alaska State Legislature
Legislative Council
Box 2199
Juneau, Alaska

Attn: Mr. John C. Doyle,
Executive Director

Dear Mr. Doyle:

Your recent letter to the State Insurance Commissioner has been referred to this agency for a reply.

Connecticut does have a Financial Responsibility Act and the various segments of this law are contained in a motor vehicle law book which we are forwarding to you under separate cover. You will note that minors between the ages of sixteen and eighteen are compelled to have insurance on any motor vehicle they may operate. Beyond this age it is not mandatory except where a person under twenty-one obtains a registration, which must be accompanied by an insurance certificate prior to the issuance of the number plates and registration certificate.

We trust this information will be helpful to you; and in the event we may be of future assistance, please call upon us.

Very truly yours,

John J. Tynan,
Commissioner of Motor Vehicles

Joseph W. Harrington
By _____
Joseph W. Harrington, Director
Division of Engineering

JWH/pt



State of North Carolina
Department of Motor Vehicles
Registration Division

Raleigh 27602
August 13, 1964

EDWARD SCHEIDT
COMMISSIONER

JOE W. GARRETT
ASST. COMMISSIONER

MISS FOY INGRAM
DIRECTOR

MISS LEONORA CARAWAN
ASST. DIRECTOR

RECEIVED
AUG 13 1964
ALASKA LEGISLATIVE COUNCIL
JUNEAU, ALASKA

Mr. John C. Doyle
Executive Director
Alaska State Legislature
Box 2199
Juneau, Alaska

Dear Mr. Doyle:

I am sorry but we have not made any study or issued any report on the effectiveness of the so-called compulsory insurance law. It is estimated that compliance is about 94% or 95% effective.

Very truly yours,

EDWARD SCHEIDT, COMMISSIONER

Foy Ingram, Director
Registration Division

FI/s

September 11, 1964

TO: Director John C. Doyle
Alaska Legislative Council

ATTENTION: Jane F. Asher
Alaska Legislative Council

FROM: Commissioner Martin B. Underwood
Department of Public Safety

SUBJECT: Departmental Review, Comments and Report of Program Operation
Title 28 Chapter 20 Alaska Safety Responsibility Act
(AS 28.20).

I. The following is submitted at your request pursuant to CS for Senate Concurrent Resolution #15, Third Legislature Second Session:

The intent of the law as set out in Sec. 010 is well stated. Fortunately it has been administered with considerable discretion and extreme leniency resulting in few bonafide criticisms on the part of the public. To enforce the statute to the "letter of the law" would be unduly harsh and would create a paper work administrative monster much too large for the Department to handle effectively.

As an example, the Department has been reluctant to rigidly enforce the following 12 provisions of the act:

- ✓ 1. The statute is applicable to every accident involving personal injury or death or property damage to one person in excess of \$200 that occurs on public highways in this State and elsewhere throughout the State. (AS 28.20.050 (a), 28.20.610) This language could support an application of the act to accidents occurring on private parking lots, trailer court roads, military reservations and other locations which are not deemed public highways. We have already pointed out to the legislature the anomalous situation wherein no other traffic laws seem to apply on these locations, not even our reckless and drunken driving statutes.
- ✓ 2. The act requires suspension for failure to deposit security "upon the expiration of 10 days after the notice is sent". (AS 28.20.050 (d)) & entering is licensed in Alaska. This would seem to contradict AS 28.20.540 (a) (1), which otherwise sets the limit at three years.

STAFF BACKGROUND REPORT

MOTOR
THE ALASKA [^]VEHICLE SAFETY RESPONSIBILITY ACT

November

1964

AS 28.20.090 (a)). Distances, prolonged absences from a citizens normal residence and other factors often precludes their having knowledge of the suspension until long after it has become effective. This frequently requires long involved correspondence with our SR Section.

3. The act requires non recognition of a citizen's insurance coverage by any company not licensed to do business in Alaska unless the company had filed a power of attorney with the Commissioner of Insurance before the accident occurred. (AS 28.20.070; and 1962 Attorney General's Opinion No. 2.) We have not applied this Section rigidly and have accepted a filing of the power of attorney after the accident in a form suitable to the Insurance Director under the authority of AS 28.20.060 (3), and 28.20.070 (c).

4. The act requires a deposit of security by both the owner and the driver, even though the accident may involve a father and son (AS 28.20.080 (b)).

5. The act provides authority to require proof of financial responsibility for the future from any person whose license is suspended following a conviction of violation of any motor vehicle law of the State. (AS 28.20.240) As a matter of policy, prior to the effective date of the new amendment to the Driver's License Act, Chapter 17, SLA 1964, the Department required a filing of future proof only when there was a conviction of negligent homicide, reckless or drunken driving, or in the event of a suspension for repeated, habitual traffic offenses. We are presently of the opinion that the driver's license act does not provide for a mandatory future proof requirement being enforced. This we regard as a major short-coming of the present law. Persons involved innocently in accidents are in a position of being required to show future proof of their financial responsibility, but no similar requirement is applicable in the instance of proven reckless or drunken operators.

6. The act requires that any person who is convicted of any offense requiring suspension of license, of driving without a license, or of driving an unregistered vehicle shall not be licensed until proof of financial responsibility for the future is filed and maintained for a period of three years. (AS 28.20.250; & 28.20.540 (1).) The operation of unlicensed vehicles, or the driving of vehicles by persons who are unlicensed (but not under suspension) are regarded as fairly common and minor traffic offenses. To require that these persons pay the additional surcharges usually associated with "future proof" filings is, we feel, unduly harsh. The application of the future proof requirements in these instances has not been enforced by the Department of Public Safety under the administrative discretion which we consider to have been delegated under AS 28.20.240.

7. Section AS 28.20.330 (b) requires a financial responsibility filing, in the event of a judgement which is finally satisfied, as long as the motorist is licensed in Alaska. This would seem to contradict AS 28.20.540 (a) (1), which otherwise sets the limit at three years.