

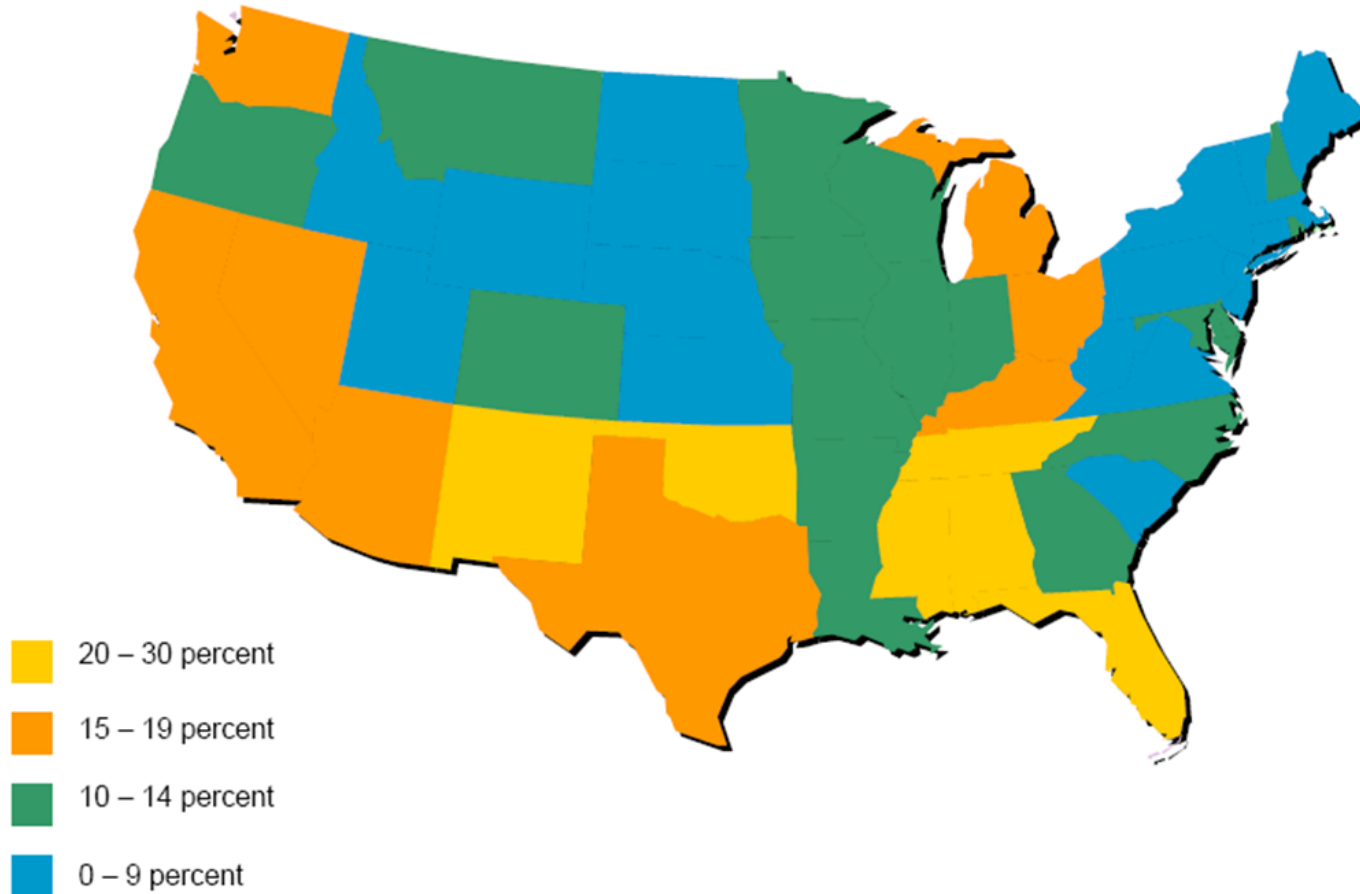
Discussion to Reduce the Number of Uninsured Motorists

A presentation by the Commissioner of Insurance

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Revenue and Transportation Interim Committee
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Variation By State of Uninsured Motorists Percentage
Based on 2007 UM to BI Frequency Ratios



IRC Estimated % Uninsured Motorists by State in 2007

Nationwide 13.8%

State	Uninsured	State	Uninsured	State	Uninsured
New Mexico	29%	Montana	15%	Kansas	10%
Mississippi	28%	Colorado	15%	Connecticut	9%
Alabama	26%	DC	15%	Virginia	9%
Oklahoma	24%	Indiana	14%	South Carolina	9%
Florida	23%	Missouri	14%	Idaho	9%
Tennessee	20%	Rhode Island	14%	Wyoming	9%
California	18%	Alaska	13%	New Jersey	8%
Arizona	18%	Maryland	12%	Utah	8%
Michigan	17%	Hawaii	12%	Nebraska	8%
Washington	16%	Louisiana	12%	West Virginia	8%
Ohio	16%	Iowa	12%	Pennsylvania	7%
Kentucky	16%	Minnesota	12%	South Dakota	7%
Texas	15%	North Carolina	12%	Vermont	6%
Nevada	15%	Georgia	12%	New York	5%
Arkansas	15%	New Hampshire	11%	North Dakota	5%
Wisconsin	15%	Oregon	11%	Maine	4%
Illinois	15%	Delaware	10%	Massachusetts	1%

What Montana is *currently* doing
to encourage drivers to purchase
auto liability insurance...

Compulsory insurance laws

Penalties for driving uninsured

Insurance verification system
(SB 508- 2009 Session)

SB 508 – Establish Liability Insurance Tracking System – Sen. Brueggeman

- Creates an online motor vehicle liability insurance verification system
- Provides law enforcement access to the verification system
- Requires drivers to carry liability insurance to purchase or renew license plates
- Effective date: July 1, 2011

Options to reduce the number of uninsured drivers

1. Tougher laws
2. Low cost auto insurance program
3. No fault insurance
4. Pay at the pump
5. Pay by the mile
6. Economic hardship premium relief

** CSI does not endorse any of these options. This presentation is meant to discuss available opportunities in Montana.

No Fault Insurance

First-party coverage.

Insurance policy pays damages, regardless of who was at fault. Drivers collect from their own policies.

May increase compliance with compulsory laws

May create an incentive for victims to inflate claims

New York has experienced increased costs

Pay at the pump

Essentially a gas tax to finance auto liability coverage or uninsured motorist coverage.

Forces purchase of liability insurance.

Would require setting up a collection and distribution system.

Rewards those who consume less fuel or have a more fuel efficient vehicle.

Rural drivers would likely pay more than urban drivers.

Pay by the mile

Premium payments would be based on a set mileage.

Encourages driving fewer miles.

High cost of tracking mileage with on-board device

Privacy concerns with on-board devices being able to track more than mileage.

Premiums are partially based on mileage and use of vehicle already.

Could make insurance more affordable for some.

CSI proposal to help consumers keep their current policy and make insurance more affordable

Amend “extraordinary event” provision of Credit Act

33-18-605. Use of credit information.

(2) (a) An insurer shall, on written request from an applicant or an insured, provide reasonable underwriting or rating exceptions for a consumer whose credit report has been directly affected by an extraordinary event.

(e) As used in this subsection (2), "extraordinary event" means:

- (i) expenses related to a catastrophic injury or illness;
- (ii) temporary loss of employment;
- (iii) death of an immediate family member; or
- (iv) theft of identity pursuant to 45-6-332.

1. Make extraordinary event provision more available to consumers.

Incentivize insurer to notify consumer on renewal

2. Expand “extraordinary event” to include:

- Divorce or interruption of alimony or support payments
- Military deployment overseas
- Other ideas

Consumer Hotline 1-800-332-6148



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