

TESTIMONY OF PATRICK WARD IN OPPOSITION TO SB 2151

Chairman Klein and members of the Senate IBL committee. My name is Pat Ward. I represent State Farm Insurance Company in opposition to this bill.

We oppose a mandate in state law to offer uninsured motorist property damage coverage. We believe it is unnecessary for several reasons.

First, coverage like this should be optional with the carrier in a competitive marketplace. I understand some carriers in ND may already have it available,

Secondly, the vast majority of our insured's, purchase collision coverage and would have no need for this coverage. The remaining approximately 20%, do not purchase collision coverage because they drive an older vehicle or for some other reason. We think it is unlikely that many of them would be interested in purchasing uninsured motorist property damage coverage. That has been our experience in other states where it is required.

Third in North Dakota, the uninsured driver percentage is only 6.8% pursuant to the most recent IRC study which is very low compared to other states. The states that require this coverage likely have much higher uninsured driver percentages.

Finally, the bill as drafted has several issues. A deductible should always be required, otherwise this would be inviting questionable claims. Also, the bill language needs a lot of cleaning up.

Some suggestions for cleaning up the language are attached.

We encourage a do not pass on SB 2151.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2151 (21.0334.02000)

Page 1, line 15, remove "or such" and replace with "of such"

Page 2, line 9, remove "offer to provide" and replace with "make available"

Page 2, line 10, remove "without a deductible amount"

Page 2, line 11, remove "offer" and replace with "make available"

Page 2, line 21 after "means", insert "physical"

Page 2, line 21, before "caused", insert "to the covered motor vehicle"

Page 2, line 22, remove "to a covered motor vehicle"

Page 2, line 23, remove "of the damaged or destroyed" and replace with "or any other element of damage to the covered"

Renumber accordingly