

Chairman Clemens and members of the Transportation Committee,

My name is Doug Larsen, Senator from Mandan's District 34. This bill would simply require a vehicle owner to show proof of insurance when they renew their vehicle's registration.

Currently, when an individual renews their vehicle's registration, they literally 'check a block' as a way of indicating that they have, at a minimum liability insurance for their vehicle. They are not required to 'prove it.' This bill would require that instead of 'checking the block' the motorist would have to prove the fact.

In the Industry, Business, and Labor committee we have discussed a variety of ways to 'protect' insured motorists from the uninsured—most recently a bill was debated that would 'require' an insurance company to offer consumers a policy to specifically protect them from an uninsured motorist. I will try to avoid getting too far into that bill or its debate:

- The overall feeling was, that since there is nothing that prohibits that type of a policy from being offered to consumers, we felt it unnecessary to 'require' that an insurance carrier be required to make this type of policy available. As a member of that committee, I argued that I wasn't in favor of requiring a company to do something like this and would prefer to see the market drive the practices and products of an industry.

Generally, I do not like a Government that makes its citizens do things. However, as has been said by many—including distinguished members of this committee--operating a motor vehicle is not a 'constitutional right'—it is, in fact a privilege.

I don't plan to walk too far down this road, but as we all know, in order to operate a motor vehicle on a public roadway, you are required:

- To have certain safety features on the vehicle in working order;
- Must obey the laws that pertain to a particular roadway;
- Must have a license (or learners permit) for the type of vehicle you are operating;
- Have motor vehicle insurance.

This bill only makes it a requirement to prove, at the time of registration renewal, that you are in fact in compliance with the law. It may be argued that a motorist would only have to be insured for a day—meaning they could take out a policy Monday morning, renew their vehicle Monday afternoon, and cancel the policy Monday evening. It is our belief, that though this may happen from time to time, generally motorist will keep the insurance once they obtained a policy.

In the event of an accident caused by an uninsured motorist, and a motorist with only liability insurance would be left to seek a judgement for damages—I don't know many repair shops accept "judgements" as a form of payment.

In the event of an accident caused by an uninsured motorist, and a motorist with collision insurance or "Full Coverage," the deductible may become a responsibility of the responsible motorist who may receive a 'judgement' in lieu of the funds necessary to make the payment.

According to a study conducted by the insurance information institute, in 2015 approximately 6.8% of North Dakota motorists were uninsured. This was the most current data I could find. 6.8% for people that struggle with math equates to about 1 in 14.

It may be argued that a reason for a motorist being 'uninsured' is the lack of an ability to afford insurance, further it could be argued that if all motorist were insured the rates would be lower, and finally that this bill would assist in lower rates—which is both good for the currently insured and uninsured motorists.

It might be argued that this change could increase the 'workload' of the Department of Transportation vehicle registration department in that they will now have to verify proof of insurance -- we feel this will be relatively minimal when consideration of technology advancements are taken into account. We would expect the main complaint would be from their online options, but the bill allows the department to develop the procedure and believe that those 'using' technology to renew their registration will be well versed in uploading a scanned document or a file containing the information.

This bill will not completely solve the problem of uninsured motorists, but we believe it is a good step in the right direction. I urge a Do Pass on Senate Bill 2302.