Model Legislation Summary

The Bill should propose a complete system to reduce the uninsured motorist rate without undue burden on either the State or its citizens as follows:

- o The core component is the creation of a Motorist Insurance Identification Database.
    - The legislation must require the Division/Department to engage a third party to administer the program,
    - The law must require every insurance company licensed to write liability insurance to submit a full book of business at least twice monthly.
    - The full book submission must contain the following data elements:
        - Full name(s) and driver license number(s) of everyone covered by the policy
        - Every vehicle covered by the policy including: VIN, year make and model of the vehicle(s),
        - Policy number, effective and expiration dates of the policy
        - In corporation with the third-party agent the Division/Department will approve the electronic formats the information must be submitted in.
- o If a vehicle is uninsured for 90 days * a letters is generated and sent to the owners of vehicle(s) that have been identified as uninsured.
- o The owners may then either provide proof of insurance or show that they are exempt from the insurance requirements.
- o If the owner does not respond with either an exemption or insurance the owners will be sent a second letter indicating failure to respond will result in the suspension/revocation of the registration.
- o If the owner fails to respond to the second letter the administration or the program will notify the DMV who will suspend/revoke the registration
- o An administrative service fee **should be required of all owners whose registrations are suspended/revoked unless the order was issued in error.

- The insurance commissioner should have the authority to impose fines on insurance companies who refuse to comply with the law (i.e. $250 per day).
- Access to the data should be limited to law enforcement and persons involved is a crash including the parents of a minor and representatives of the person involved that have a power of attorney, and by subpoena.
- It should contain a provision that any letters sent under the program are deemed delivered after 5 business days if sent to the last know address as shown on the DMV's record.

* The Bill should safeguard owners who move from one insurance company to another by waiting 90 days before they are sent the first notification. Why 90 days? This allows sufficient time for the new company to begin reporting and has proven to be the most effective strategy through real world experience in Utah.

** Include a reinstatement for registrations that are suspended or revoked for lack of insurance that is equal to or greater than the cost of insurance (i.e. $200).