

## **Please VOTE NO on HB 157, No-Fault Insurance Electronic Reporting – an unworkable administrative reporting bill that won't solve the traffic congestion problem**

### Summary of bill:

HB 157 would require *each county* to establish and maintain its own procedure for electronic filing, storage, and law enforcement access to a no-fault insurance electronic data system to identify which motorists have no-fault coverage. The bill also requires every motor vehicle insurer to provide *each county* with the information listed under section 46 and to notify each county when there is a cancellation of a motor vehicle insurance policy. The information shall be transmitted on a monthly basis according to a schedule set by the counties, and the insurer shall take all necessary precautions to protect the privacy interests of persons whose information is transmitted to each county. Additionally, the bill requires each county to create and mail bumper stickers to insured motorists, send out notice letters to noncomplying motorists, and require law enforcement officers to remove license plates of motorists who do not post the sticker on the rear bumper of the motor vehicle.

### Reasons to VOTE NO of HB 157:

- **The proposed legislation is unlikely to have any impact upon the reduction of traffic congestion on the roadways of the state** – There is no documented evidence to support the contention that any state that has implemented an electronic insurance verification system has seen a reduction in motor vehicle traffic congestion. Most of the stated purpose of Section 1 of the bill pertains to the public policy goal of reducing traffic congestion. Since traffic congestion reduction is the primary goal of HB 157, the bill should really focus upon the *actual causes* of traffic congestion, and not create a new administrative burden and cost for state agencies and insurers. Insurers already report uninsured motorists to the state, and police officers already ticket motorists, who do not comply with the compulsory insurance coverage requirements, and there is still traffic congestion.
- **HB 157 would do nothing more than create an unworkable, impractical, and ineffective bureaucracy that will increase administrative costs for insurers and county agencies** – The proposed legislation requires each and every county to create, implement, and maintain their own electronic reporting system, at a time when local governments are dealing with financial constraints upon their budgets. The proposed electronic reporting system is a *questionable use of limited country resources*, especially when there is no data or evidence to support the claim that such an endeavor will be effective at reducing traffic or the number of uninsured drivers on the road. The only guaranty is that the counties in the state will have to undertake a monumental administrative project and redirect law enforcement activities away from protecting citizens from serious crimes and make their law enforcement officers become license plate repo-officers.
- **The proposed legislation could adversely impact auto insurance rates for consumers, which could lead to more uninsured motorists on the roadway** – HB 157 would require auto insurance companies to establish internal tracking and reporting procedures to comply with the no-fault insurance electronic reporting system requirements of five different counties. It is an unavoidable business reality that increased overhead costs drive-up the price of consumer goods and services. Consequently, insurance consumers will end up being the ones who will have to pay for an electronic insurance verification project that is unlikely to have any impact upon traffic congestion or the number of uninsured motorists in the state. HB 157 begs the public policy question: *shouldn't the traffic congestion problem in the state be a financial burden for all citizens of the state, not just insurance consumers?*

**Please VOTE NO on HB 157, because it is an expensive fix and the wrong fix for the traffic congestion problem in the state!**