

Governor Jay Inslee
Office of the Governor
P.O. Box 40002
Olympia, WA 98504-0002

5/6/13

RE: ESSB 5024, The Transportation Budget - NAMIC's Letter of Support for the bill

Dear Governor Inslee:

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit this formal request that you sign into law, without alteration, ESSB 5024. This bi-partisan legislation was extensively debated and thoroughly evaluated by legislators in both parties, before being sent to your office. Of particular importance to NAMIC's members is Section 807(25) of ESSB 5024, which prevents further fees from being charged to purchasers of Abstracts of Driver Records (ADRs).

NAMIC is the largest and most diverse property/casualty trade association in the country, with 1,400 regional and local mutual insurance member companies serving more than 135 million auto, home, and business policyholders and writing in excess of \$196 billion in annual premiums that account for 50 percent of the automobile/ homeowners market and 31 percent of the business insurance market. More than 200,000 people are employed by NAMIC member companies. NAMIC has 133 members who write P. & C. Insurance in the State of Washington, which represents 48% of the marketplace.

On behalf of NAMIC's members, we respectfully request that you sign ESSB 5024, without any alterations to the current language of the bill, because Section 807 (25) would protect businesses, including insurance companies and their consumers, from being exposed to a never-ending cycle of fee increases associated with the purchase of ADRs, which are necessary for many business operations, especially insurance companies who use this necessary information in their insurance underwriting practices.

Washington already charges purchasers \$13 per ADR, which makes the cost of these driving records higher than the fees charged in 41 other states. Just one year ago, legislators voted to raise the fee from \$10 to \$13 per record, and that increase came just four years after the Legislature doubled the fee from \$5 to \$10 in 2007.

NAMIC has recently learned that the Office of Financial Management has granted the Department of Enterprise Services the authority to enter into a contract with NICUSA, a private firm based in Kansas City, to take over the maintenance of and online access to the ADR database. The letter outlining support for the contract states that NICUSA would be

allowed to charge a fee to purchasers to cover its own operational costs (so as to provide their services at no cost to the state) and would also establish a “revenue stream” for the state - to pay for expanding access to online/web services for citizens and consumers of state services.

We are concerned that the proposed contract with NICUSA creates a new financial burden for businesses and consumers in the state without creating any new corresponding benefit to the purchasers of ADRs. NAMIC is also concerned that the proposed contract would empower a private vendor with broad financial discretion over an important public service and would create a new “revenue stream” for the state that has not been specifically authorized by the Legislature.

NAMIC respectfully requests that you sign ESSB 5024 and protect businesses and consumers from having to pay higher rates for ADRs, which are used by insurers in their underwriting practices to provide consumers with insurance rates that thoroughly and accurately reflect the consumer’s risk of loss exposure.

Thank you for your time and consideration of NAMIC’s written comments. Please feel free to contact me at 303.907.0587 or at crataj@namic.org, if you have any questions pertaining to my letter.

Respectfully,

A handwritten signature in cursive script, appearing to read "Christian J. Rataj".

Christian J. Rataj, Esq.
NAMIC’s Western State Affairs Manager