

- SENATE TRANSPORTATION
SUBCOMMITTEE ON
SB 724
May 7, 1991 Hearing Room 454
8:00 a.m. Tapes 1- 2
MEMBERS PRESENT: Sen. Tricia Smith, Chair
Sen. Eugene Timms
Sen. Scott Duff
STAFF PRESENT: Ruth Larson, Committee Administrator
Scott Marshall, Committee Assistant

WITNESSES: Jeff Johnson, Office of Representative Calouri Sandy Flicker,
Independent Insurance Agents Joan Plank, Department of Motor Vehicles Al
Elkins, Oregon Tow Truck Association Jim Shriver, State Farm Insurance

These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in quotation marks
report a speaker's exact words. For complete contents of the proceedings,
please refer to the tapes.

TAPE 1, SIDE A

CHAIR SMITH: Calls the meeting to order at 5:15. Explains the purpose of
the hearing in regards to SB 724.

RUTH LARSON, COMMITTEE ADMINISTRATOR: Submits -2 amendments to SB 724
(EXHIBIT A)

JEFF JOHNSON, OFFICE OF REP. CALOURI: I don't have anything to add. The
same things were in his bill that are in SB 724, except to this one section

CHAIR SMITH: I want this meeting to be a free flow of information. I think
SB 724 is just a small piece. By itself it won't correct the problems we
have with uninsured motorists.

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LARSON: Discusses the -2 amendments.

CHAIR SMITH: The fifteen minute insurance policy bothers me. Everyone
thinks a person is in compliance, when, in fact, they are not. We could
consider disallowing issuing a policy for shorter than 6 months.

LARSON: A second idea, not drafted by LC, would impound the vehicle of an
individual who has not complied with the SR22 program and is stopped.

CHAIR SMITH: Another thought would be to tie into this the registration of
vehicles.

SANDY FLICKER, INDEPENDENT INSURANCE AGENTS: It is a priority to have some
sort of resolution this session. Tracking systems are not going to solve
the problems. The state needs to get tough on the habitual offenders. Cost
is a big issue. The way to get at the uninsured motorists is to require at
least a 6 month policy. In many cases insurance has priced many individuals
out of the market. Thus, it may create more uninsured drivers.

CHAIR SMITH: How do we catch them?

FLICKER: There is a tracking system in the SR22 program. Those people are
on file.

CHAIR SMITH: If they are canceled, are you notified?

JOAN PLANK, DEPARTMENT OF MOTOR VEHICLES: Yes, we are.

CHAIR SMITH: And, this is anyone who has a suspended license?

PLANK: Generally, those convicted of major traffic violations and driving uninsured are required to file an SR22. We also verify every accident report, so if an uninsured person has an accident, they will have their licenses suspended for a year. After that year, they will file an SR22 for the next three years.

CHAIR SMITH: Who are we trying to get at?

PLANK: The SR22 is required for the high risk population.

CHAIR SMITH: Is the bill trying to get at those that have not filed an SR 22 or have not been caught in your random sample?

FLICKER: The profile of the uninsured driver is a young male that is transitory, and drives an old car.

LARSON: Submits article reviewing the characteristics of an uninsured motorist. (EXHIBIT

B)

PLANK: The profiled offender belongs in a group that is hard to get a handle on.

LARSON: This group's insurance rates are the highest, too.

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AL ELKINS, OREGON TOW TRUCK ASSOCIATION: Does impoundment mean that I can come back and recover my car after attaining proof of insurance?

CHAIR SMITH: My original intent dealt with confiscation.

PLANK: House bill 3304, now on the House floor, would require confiscation of a vehicle when the person is driving while suspended for a second DUI. That proposal might test whether confiscation would work. It would also limit the number of people who would be affected. It will not be a money maker. We have suggested trying it on a four county basis. In this way we can compare the results to the rest of the state.

CHAIR SMITH: Confiscation is the trend.

ELKINS: The majority of the people who have their cars confiscated are not "yuppies". We are then getting the \$25-\$75 cars. Confiscation is not the ultimate answer, but it is a good first step. The first person from whom we confiscated a car, switched from alcohol to drugs and states that the program had worked for him because of this switch.

CHAIR SMITH: This issue is always being dealt with, but we have yet to find a solution.

PLANK: I don't think we have an answer. If a person is faced with paying rent and feeding kids, they will most likely choose to do that over buying insurance. State-run insurance is the only option that appears to work. In Canada, when a person registers a car, they purchase insurance for the duration of the registration. In our system there will always be that group that we are unable to get a handle on.

TAPE 2, SIDE

A

CHAIR SMITH: What do you think of Rep. Calouri's amendments which would require that the insurance company be notified when a license is revoked or suspended. Do you issue insurance policies to people who don't have driver's licenses?

JIM SHRIVER, STATE FARM INSURANCE: Yes, we do. They will be surcharged as a higher risk. I don't understand what that has to do with controlling the

uninsured population. There are two groups of uninsured motorists: (1) those who don't care, and (2) those who can't afford it. The legislature has put in new laws that have increased the costs of coverage, which increases the rates. We then increase the number of uninsured motorists.

CHAIR SMITH: What do you think of state-run insurance?

SHRIVER: The real costs in Canada are very high.

CHAIR DUKES: You don't think there is anything we can do to impact this population?

SHRIVER: We have already done many good things.

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FLICKER: Does anyone know what the age limit for getting a license is in other states?

SHRIVER: In most states, it's 18.

FLICKER: Confiscation is a significant consequence. Currently, we don't have anything.

CHAIR SMITH: Are we really able to put such legislation in effect in only four counties?

ELKINS: That bill speaks to a state-wide program.

CHAIR SMITH: I will notify the other members about what has been discussed. Possibly during the interim we can work more on this issue. -Adjourns the meeting at 5:45.

Submitted by, Reviewed by,
Scott Marshall Ruth Larson
Committee Assistant Committee Administrator

EXHIBIT LOG

A - amendments to SB 724 - staff

B - book article - staff

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