

**REPORT OF THE  
DIVISION OF MOTOR VEHICLES**

# **Uninsured Motorist Situation**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



## **HOUSE DOCUMENT NO. 23**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1990**



COMMONWEALTH of VIRGINIA  
*Department of Motor Vehicles*  
*2300 West Broad Street*

DONALD E. WILLIAMS  
COMMISSIONER

MAIL ADDRESS  
P. O. BOX 27412  
RICHMOND, VIRGINIA 23269

ANNUAL REPORT  
ON  
UNINSURED MOTORIST

December, 1989

To the General Assembly:

In 1987 the General Assembly adopted House Joint Resolution 230. This resolution requests the Department of Motor Vehicles to submit an annual report to the General Assembly concerning the uninsured motorist situation in Virginia and the Department's efforts to make improvements. Attached is the latest annual report.

The attached report includes information on our efforts to identify and reduce the number of uninsured motorists as well as our efforts to bring them into compliance with the financial responsibility laws. Included in this report is a summary of related statistics for the FY87-89 fiscal years in addition to public information and education efforts undertaken during the past year in order to be sure all Virginians are aware of the requirements of the motor vehicle insurance liability laws.

Sincerely,

A handwritten signature in cursive script that reads "Donald E. Williams".

Donald E. Williams  
Commissioner

DEW/jag

Attachment

**DEPARTMENT OF MOTOR VEHICLES  
ANNUAL REPORT ON UNINSURED MOTORISTS**

**Contents and Highlights**

- I. Introduction\_ \_ \_ \_ \_Page 1
- II. Number of Uninsured Motorist\_ \_ \_ \_ \_Page 3
  - ◆ Payment of the Uninsured Motor Vehicle Fee does not provide insurance coverage.
  - ◆ The Uninsured Motor Vehicle Fee was increased to \$400 beginning July 1, 1988.
  - ◆ Historically, there has been a decrease in both the number of motor vehicles registered with the UMV fee voluntarily paid and in the Penalty fees collected following an increase in the UMV fee.
- III. Amount of Uninsured Motorist Fund\_ \_ \_ \_ \_Page 5
  - ◆ \$13,060,323 has been made available for transfer to the SCC since implementing the current Insurance Monitoring Program in July, 1986
  - ◆ DMV's Appropriation was increased to \$3,618,800 in February 1989 to more closely cover the actual expenditures necessary to administer the Insurance Monitoring Program.
- IV. Department of Motor Vehicles Insurance Monitoring Processes\_ \_ \_ \_ \_Page 6
  - ◆ There are five insurance monitoring processes administered by the Department of Motor Vehicles.
  - ◆ 1,077,661 motor vehicle owners have been issued insurance monitoring notices since implementing the current insurance monitoring processes.
  - ◆ The current insurance monitoring processes have resulted in 80,463 net orders of suspension.

V. Public Education\_ \_ \_ \_ \_ \_ \_ \_ \_ \_ \_Page 13

- ◆ The objective of our comprehensive public education effort has been to inform people of the law requiring liability insurance, the purpose and limitation of the uninsured motor vehicle fee, and the insurance monitoring processes of the Department of Motor Vehicles.
- ◆ The Public Information Office coordinated a number of media interviews during the past fiscal year.
- ◆ Survey results provided by Virginia Commonwealth University illustrate the effectiveness of the educational program.

**DEPARTMENT OF MOTOR VEHICLES  
ANNUAL REPORT ON UNINSURED MOTORISTS  
EXECUTIVE SUMMARY**

The Department of Motor Vehicles' Insurance Monitoring efforts have been more effective since implementing the current processes in July, 1986. The results of these efforts for the last fiscal year are as follows:

**INSURANCE MONITORING RESULTS  
JULY 1, 1988 THROUGH JUNE 30, 1989**

<b>Vehicle Owners Issued Notices</b>	<b>369,640</b>
<b>Resulting Net Orders of Suspension</b>	<b>26,343</b>
<b>Average Detection Rate **</b>	<b>7.13%</b>
<b>Units of Voluntary UMV Fee Paid</b>	<b>4,487</b>
<b>Units of Statutory UMV Fee Paid</b>	<b>20,468</b>
<b>Total Certificates of Insurance Filed</b>	<b>25,301</b>
<b>Total Revenue Collected</b>	<b>\$ 7,540,421</b>
<b>DMV Appropriation</b>	<b>\$ 3,618,800</b>
<b>Financial Responsibility Division</b>	
<b>Operational Costs</b>	<b>\$ 3,618,800</b>
<b>Net Funds Available for Transfer to SCC</b>	<b>\$ 3,921,621</b>

\*\* The Average Detection Rate represents the efforts of all of the Insurance Monitoring Processes administered by the Department. The detection rate for the Vehicle Registration Sample process was 5.42%.

- ◆ There were 5,068,030 vehicles registered in the State of Virginia as of June 30, 1989. This is a slight increase over the 4,933,151 vehicles registered as of June 30, 1988.
- ◆ The number of motorists who voluntarily paid the uninsured motor vehicle fee at the time of registration for FY88-89 was 4,487.
- ◆ The number of motorists who paid the penalty fee only following detection by DMV as being uninsured was 20,468 for FY88-89.
- ◆ Net revenues collections increased during the past fiscal year to \$ 7,540,421. This increase is primarily due to the increase in the Uninsured Motor Vehicle and Penalty Fee to \$400 beginning July 1, 1988.

- ◆ The Department of Motor Vehicles' Appropriation was increased to \$3,618,800 during FY88-89 to more closely cover the actual expenditures necessary to administer the Insurance Monitoring Program.
- ◆ The FY88-89 Financial Responsibility Division operational costs were \$3,618,800. This is an increase over the FY 87-88 operational costs of \$2,492,707 and is primarily due to ADP and postage costs, previously not considered in the division's operational costs.
- ◆ The net funds available for transfer to the State Corporation Commission during FY88-89 was \$3,921,621. This is a decrease from the previous fiscal year and is due primarily to the increase in the expenditures required to administer the Insurance Monitoring program and appropriated to the Department.
- ◆ A statewide survey was conducted by the Survey Research Laboratory at Virginia Commonwealth University in July and August 1988. The results of the survey indicated that the majority of citizens were informed of Virginia's requirements for automobile liability insurance coverage. This illustrates the effectiveness of the public education efforts provided by the Department of Motor Vehicles.

**PART I**

**INTRODUCTION:**

The Department of Motor Vehicles initiated legislation in 1986 to refocus our insurance monitoring efforts. Two insurance monitoring processes were recommended for elimination. These processes were extremely labor intensive and relatively ineffective. The elimination of the requirements for citizens to submit accident reports and for insurance companies to submit notification of cancelled insurance enabled DMV to channel its resources toward more effective insurance monitoring processes. The legislation was passed, and new insurance monitoring processes were implemented in July 1986. The focus of our insurance monitoring efforts now seek to identify uninsured motorists prior to potential involvement in an accident or cancellation of liability insurance.

During the 1987 session of the General Assembly, House Joint Resolution 230 passed. The resolution requires DMV to report annually to the General Assembly on the uninsured motorist situation in Virginia and the Department's efforts to improve it. The uninsured motorist issue includes information on the effectiveness of Virginia's motor vehicle insurance laws, education of the public to assist in understanding that payment of the uninsured motorist fee does not provide insurance coverage, and efforts to reduce the number of uninsured motorists on the road.

The Financial Responsibility Division administers five insurance monitoring processes for DMV. Four of the processes attempt to identify uninsured motorists before they are involved in an accident. The fifth process allows a citizen to request verification of insurance information following an accident where it is believed that the other motorist involved was uninsured.

The implementation of the new insurance monitoring processes in 1986 had a number of benefits. First, citizens were no longer required to file an accident report with DMV. This decreased the public's burden of obtaining, completing and filing forms. Additionally, these processes decreased DMV's manpower requirements to process accident reports. The elimination of the requirement for insurance companies to report cancelled policies relieved a burden for insurance companies as well as DMV staff to cross check cancellation of one policy and the possible issuance of another. Most policies were renewed with other carriers so that DMV and insurance companies were handling thousands of notices with very little positive results.

The results of DMV'S Insurance Monitoring efforts since July 1, 1986, are as follows:

<b>Vehicle Owners Issued Notices</b>	<b>1,077,461</b>
<b>Resulting Net Orders of Suspension</b>	<b>80,463</b>
<b>Average Detection Rate</b>	<b>7.47%</b>

In addition to the insurance monitoring processes presented here, it is important to include the process which supports insurance monitoring by ensuring that persons found to have violated the law comply with the penalties. Once a driver has been identified as having no insurance, they must comply with the order of suspension of their driving and vehicle registration privileges. Compliance includes payment of a penalty fee and maintenance of a certified insurance policy for three years. The requirement to maintain proof of insurance allows DMV to ensure that these individuals do, in fact, have liability insurance. During the three year period, insurance companies cooperate with DMV by notifying the Department, if an individual cancels their insurance.

A portion of the revenues collected by DMV are appropriated for use in administering the Insurance Monitoring Program. The remaining revenues are available to be transferred to the SCC for distribution to liability insurance companies licensed in Virginia. Funds distributed by the SCC are used to help offset the cost of the uninsured motorist coverage required for all liability insurance policies written in Virginia. Since implementing the current Insurance Monitoring Program in July 1986, a total of \$13,060,323 has been available for transfer to the SCC.



**PART II**

**THE NUMBER OF UNINSURED MOTORISTS:**

The Department of Motor Vehicles has the responsibility to monitor the uninsured motorist situation in Virginia. The Motor Vehicle code provides that a vehicle owner may voluntarily pay an uninsured motor vehicle fee at the time the vehicle is registered. Payment of the fee does not provide insurance coverage.

Since implementing the current Insurance Monitoring Program on July 1, 1986, the number of UMV fees voluntarily paid at the time of registration was:

**UNINSURED MOTOR VEHICLE FEE  
VOLUNTARILY PAID**

<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
4,434	5,605	4,487	14,526

The number of vehicle owners who paid the penalty fee only after detection by an insurance monitoring process was as follows:

**UNINSURED MOTOR VEHICLE FEE  
PAID AFTER DETECTION**

<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
17,653	21,173	20,468	59,294

Historically, there has been a decrease in both the number of motor vehicles registered with the UMV Fee voluntarily paid and in the Penalty fees collected following an increase in the UMV fee.

**HISTORICAL  
UNINSURED MOTOR VEHICLE AND  
PENALTY FEES PAID**

	<u>FY83-84</u>	<u>FY84-85</u>	<u>FY85-86</u>	<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>
<b>VOLUNTARY</b>	6,751	3,715	3,367	4,434	5,605	4,487
<b>PENALTY</b>	14,397	13,620	13,618	17,653	21,173	20,468
<b>FEE</b>	\$200	\$300	\$300	\$300	\$300	\$400

### **Assessment of Uninsured Motor Vehicle and Penalty Fee**

Virginia law requires a motor vehicle be covered by liability insurance or that the owner pay a \$400 UMV fee at the time of registration. There are situations provided for in Virginia Statute §46.2-706, in which a prorated UMV Fee is paid. These situations are as follows:

- ◆ Vehicle Owner wishes to renew all vehicles owned on the same month. A prorated Uninsured Motor Vehicle Fee may be paid on those vehicles being renewed earlier than required.
- ◆ Prorated Uninsured Motor Vehicle fee may be paid by a vehicle owner for a three day trip permit in order that the vehicle may be driven from Virginia to another state. This is usually for the sale of the vehicle.
- ◆ The owner may pay a prorated Uninsured Motor Vehicle fee equal to one-twelfth the normal fee for a thirty day temporary tag.

The Motor Vehicle Code also has provisions which require DMV to monitor vehicle liability insurance. Detection of an uninsured motor vehicle through an insurance monitoring process would require at a minimum the payment of a \$400 penalty fee and maintenance of a certified insurance policy for three years in order for the vehicle owner to retain their driving and vehicle registration privileges.

The amounts of both the UMV and the penalty fee increased to \$400 beginning July 1, 1988. This fact combined with prorated fees, is the reason the number of motorists paying these fees exceeds the result of revenue divided by \$400.

**PART III****AMOUNT OF UNINSURED MOTORISTS FUND**

A portion of the UMV and Penalty fee revenues are forwarded to the SCC in accordance with §38.2-3001. These revenues are distributed by the SCC to liability insurance companies licensed in Virginia, apportioned according to the premium income for basic limits of coverage written in Virginia during the preceding year.

Revenue collections and the DMV's Appropriation since implementing the current Insurance Monitoring Program are:

	<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
<b>Net Revenue Collections</b>	\$5,688,997	\$7,050,705	\$7,540,421	\$20,280,123
<b>DMV Appropriation</b>	\$1,800,500	\$1,800,500	\$3,618,800	\$ 7,219,800
<b>Difference</b>	\$3,888,497	\$5,250,205	\$3,921,621	\$13,060,323

DMV's Appropriation was increased to \$3,618,800 in February 1989 to more closely cover the actual expenditures necessary to administer the Insurance Monitoring Program. Since implementing the current Insurance Monitoring Program in July 1986, a total of \$13,060,323 has been available for transfer to the SCC.

**PART IV****DEPARTMENT OF MOTOR VEHICLES INSURANCE MONITORING PROCESSES**

Currently the Department of Motor Vehicles has five insurance monitoring processes. Each process is briefly outlined in this section. In addition the results of the insurance monitoring efforts for the past three years is included for each process. A diagram of the five processes appears as Appendix A. An additional diagram depicting the insurance monitoring flow appears as Appendix B.

Within each process, DMV makes every effort to obtain correct insurance information from individuals prior to suspension of privileges. We request the insurance company name rather than the name of the agent. However, if an individual replies with inaccurate information, we return the letter to them requesting the correct data. Additionally, if an insurance company named by the individual denies coverage, we inform the individual of this, and allow time for them to either provide correct insurance information and/or to resolve the problem with the insurance company. An order of suspension of privileges would only be issued if the individual fails to respond, is found not to have insurance, or as is often the case, admits they had no insurance.

The results of DMV'S Insurance Monitoring efforts since July 1, 1986 are as follows:

	<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
<b>Vehicle Owners Issued Notices</b>	330,993	376,828	369,640	1,077,461
<b>Resulting Net Orders of Suspension</b>	24,791	29,329	26,343	80,463
<b>Detection Rate</b>	7.49%	7.78%	7.13%	7.47%

The Department has recognized a decrease in the total net orders of suspension during FY88-89. No change has occurred in the insurance monitoring processes; therefore the results of this decrease may be the vehicle owners complying with the Motor Vehicle Code.

**Vehicle Registration Sample**

**Description** - This insurance monitoring process is based on a computerized random sample of vehicles registered. Approximately 1100 vehicles were selected daily, resulting in an insurance monitoring notice being mailed to the vehicle owners requesting insurance information. If the owners fails to respond, or is found to have no insurance, an order of suspension is issued.

This is an automated process for DMV. The initial request, follow up notices, and where appropriate, orders of suspension are computer generated. Once an order of suspension of privileges is issued, the compliance process is initiated.

**Results** - The Vehicle Registration Sample process has resulted in the following:

	<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
<b>Vehicle Owners Issued Notices</b>	294,920	337,869	330,620	963,409
<b>Resulting Net Orders of Suspension</b>	15,824	19,977	17,913	53,714
<b>Detection Rate</b>	5.37%	5.91%	5.42%	5.58%

**Conviction Sampling**

**Description** - This insurance monitoring process is designed to target what is considered to be a high risk population. There are licensed drivers who have been convicted of a number of moving violations or have failed to respond to driver improvement treatments. For this process, drivers with elevated demerit points are selected to provide insurance information upon conviction of an additional moving violation. If the driver fails to respond, or is found to have no insurance, an order of suspension is issued.

This is an automated process for DMV. The initial request, follow up notices, and where appropriate, orders of suspension are computer generated. Once an order of suspension is issued, the compliance process is initiated.

**Results -** The Conviction Sample process has resulted in the following:

	<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
<b>Vehicle Owners Issued Notices</b>	1,709	2,005	2,525	6,239
<b>Resulting Net Orders of Suspension</b>	437	534	684	1,655
<b>Detection Rate</b>	25.57%	26.63%	27.09%	26.53%

**Suspected Uninsured Accident**

**Description -** This insurance monitoring process (ISR) allows a citizen and/or their representative to voluntarily file an accident report with DMV, and as a part of the report to indicate there is reason to believe the other party involved in the accident was uninsured.

This is a manual process for DMV. A request for insurance information is issued to the citizen specified in the report. If the citizen fails to respond, or is found to have no insurance, an order of suspension is issued.

Additionally, the citizen and/ or their representative filing the accident report may request that DMV provide them with the insurance information obtained.

**Results -** The Suspected Uninsured Accident process has resulted in the following:

	<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
<b>Vehicle Owners Issued Notices</b>	218	891	1,438	2,547
<b>Resulting Net Orders of Suspension</b>	86	601	956	1,643
<b>Detection Rate</b>	39.45%	67.45%	66.48%	64.51%

#### **Law Enforcement Notification**

**Description -** This insurance monitoring process (FR422A) is initiated when police officers require citizens to provide insurance information to DMV. This normally results from a situation in which an officer has probable cause for a moving vehicle violation and/or roadside spot checks.

This is a manual process for DMV. If it is determined that the vehicle was uninsured at the time the officer issued the FR422A, an order of suspension is issued.

In addition to the State Police, a total 73 localities cooperate with DMV in this process.

**Results -** The Law Enforcement Report process has resulted in the following:

	<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
<b>Vehicle Owners Issued Notices</b>	30,115	32,899	32,475	95,489
<b>Resulting Net Orders of Suspension</b>	6,149	6,318	5,839	18,306
<b>Detection Rate</b>	20.42%	19.20%	17.98%	19.17%

**Citizen Information/Police Accident Report**

**Description -** The identification of citizens requested to provide insurance information in this process (FR1) is obtained through two sources: police accident reports, and citizen initiated documentation.

This is a manual process for DMV. The police accident reports and citizen initiated documentation are reviewed to determine the need to issue a request for insurance information. If the citizen fails to respond, or is found to have no insurance an order of suspension is issued, which initiates the compliance process.

**Results -** The Citizen Information/Police Accident Report process has resulted in the following:

	<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
<b>Vehicle Owners Issued Notices</b>	4.031	3,164	2,582	9,777
<b>Resulting Net Orders of Suspension</b>	2,295	1,899	951	5,145
<b>Detection Rate</b>	56.93%	60.02%	36.83%	52.62%



**Total Number of Notices and Suspensions Issued Under the Insurance Monitoring Program**

Since implementing the current Insurance Monitoring Program in July 1986, the results have been:

	<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
<b>Vehicle Owners Issued Notices</b>	330,993	376,828	369,640	1,077,461
<b>Net Orders of Suspension</b>	24,791	29,329	26,343	80,463
<b>Detection Rate</b>	7.49%	7.78%	7.13%	7.47%

The Department has recognized a decrease in the total net orders of suspension during FY88-89. No change has occurred in the insurance monitoring processes; therefore, the results of this decrease may be the vehicle owners complying with the Motor Vehicle Code.

Vehicle owners who are issued an order of suspension, must pay a \$400 penalty fee and file a Certificate of Insurance with DMV for three years in order to retain their driving and vehicle registration privileges. Insurance companies cooperate by notifying the Department if the insurance policy is cancelled during this period. During FY88-89, 25,301 Certificates of Insurance were filed with DMV. The number of Certificates of Insurance filed with DMV since July 1, 1986 are as follows:

	<u>FY86-87</u>	<u>FY87-88</u>	<u>FY88-89</u>	<u>TOTAL</u>
<b>Certificates of Insurance Filed</b>	22,772	24,587	25,301	72,660

Upon receipt of a cancellation notice, DMV will issue an order of suspension for failure to maintain the Certificate of Insurance. In order for the individual to regain their driving and vehicle registration privileges, they must file a new Certificate of Insurance with the Department. During FY88-89, 11,767 orders of suspension were issued for failure to maintain a Certificate of Insurance.

### **Cost of Insurance Monitoring**

In considering the cost of the Insurance Monitoring Program, all aspects of the Financial Responsibility Division must be taken into account. As previously indicated, the Insurance Monitoring Program would be incomplete without compliance, which re-enforces all of the insurance monitoring processes.

The operational cost for the Financial Responsibility Division was \$3,618,800 in FY88-89. This amount includes ADP and Postage costs not previously considered in the division's operational costs.

Since implementing the current Insurance Monitoring Program in July 1986, the operational costs for administering the Insurance Monitoring Program has been \$ 8,597,943.

**PART V**

**PUBLIC EDUCATION**

DMV initiated an education program in July 1986, to educate our employees and public about vehicle liability insurance needs. The Department continues to implement additional public education programs to inform citizens of the law requiring liability insurance, the purpose and limitation of the uninsured motor vehicle fee, and the insurance monitoring processes administered by the Department.

The highlights of our public information efforts in FY88-89 include:

- ◆ A brochure covering the insurance requirements, penalties and verification methods was distributed to DMV'S 75 branch offices statewide to update the public and employees on the insurance process. About 60,000 of these brochures have been distributed to citizens.
- ◆ This same brochure was used as a tent card at each customer service window so the customer would see the information as they were filling out their vehicle registration card. Copies of the brochure were made available to citizens if they had questions about insurance verification or penalties.
- ◆ Insurance requirements were also promoted at the 1988 State Fair. The citizen progressed through a series of modular units each presenting a different question. One of the questions related to Virginia's insurance requirements. After playing the game, the citizen were given a sheet with the correct answers for all the questions, including the insurance question.
- ◆ The Virginia Trooper, published by the Virginia State Police, requested an article to inform troopers about Virginia's insurance requirements.
- ◆ An article concerning insurance requirements for motorcycles was included in DMV'S motorcycle newsletter, Virginia Rider. The newsletter is published quarterly by the Virginia Rider Training Program.

- ◆ DMV participated in WRXL's Safety Expo in Richmond. The Department was able to answer questions from the general public about insurance requirements and distribute the insurance brochure to citizens with questions.
- ◆ DMV'S Public Information Office coordinated a number of media interviews concerning the insurance issue. Some of the media that reported on vehicle insurance during the last fiscal year include:

WBAL-TV, Baltimore, Maryland  
Virginia Pilot-Ledger Star, Norfolk, Virginia  
WAVY-TV, Portsmouth, Virginia  
WJZ-TV, Baltimore, Maryland  
Potomac News, Woodbridge, Virginia  
Richmond Times Dispatch  
WVIR-TV, Charlottesville, Virginia  
WHSV-TV, Harrisonburg, Virginia  
WCYB, Bristol, Virginia  
WVVA, Bluefield, West Virginia  
WHSV-TV, Harrisonburg, Virginia  
WTKR, Norfolk, Virginia  
Tidewater Navy News, Norfolk, Virginia  
Virginia News Network, Richmond, Virginia

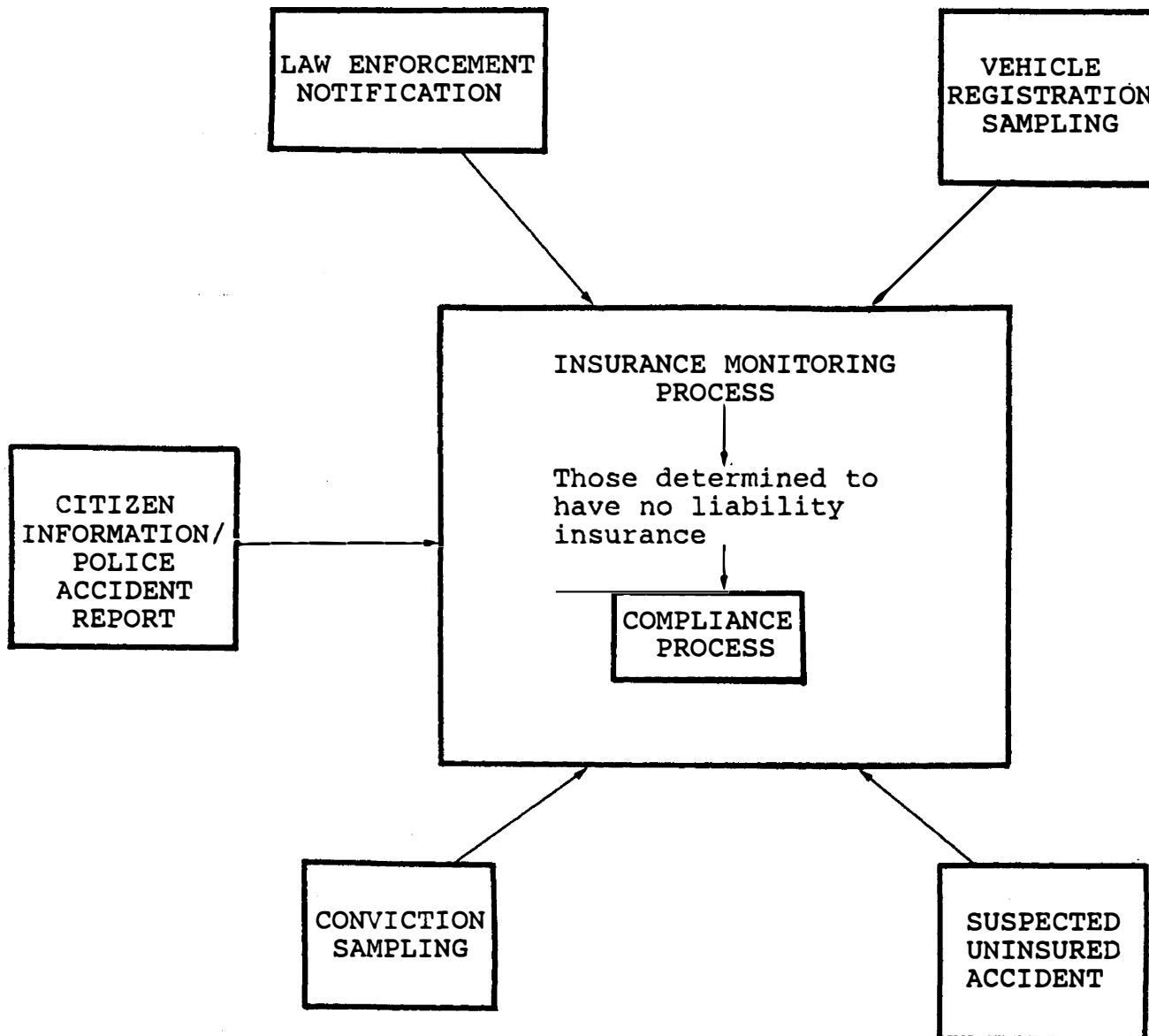
### **Effectiveness of the Program**

To determine how effective the Department of Motor Vehicles' public education efforts have been, a statewide survey was conducted by the Survey Research Laboratory at Virginia Commonwealth University from July 11 to August 15, 1988. The results of the survey are as follows:

- ◆ 83% of the respondents answered "Yes" when asked, "Does Virginia state law require vehicle owners to have liability insurance?"
- ◆ 71% of the respondents answered "Yes" when asked, "Are you aware that vehicle owners can pay a fee instead of buying insurance?"
- ◆ 66% of the respondents answered "No" when asked, "Does the fee provide insurance coverage?"
- ◆ 56% of the respondents answered "No" when asked, "Did you know that the Department of Motor Vehicles selects vehicle owners and asked them to provide proof of auto insurance?"

The overall results of the survey indicate that a majority of Virginians are aware of the insurance requirements for driving a motor vehicle.

# INSURANCE MONITORING PROCESSES

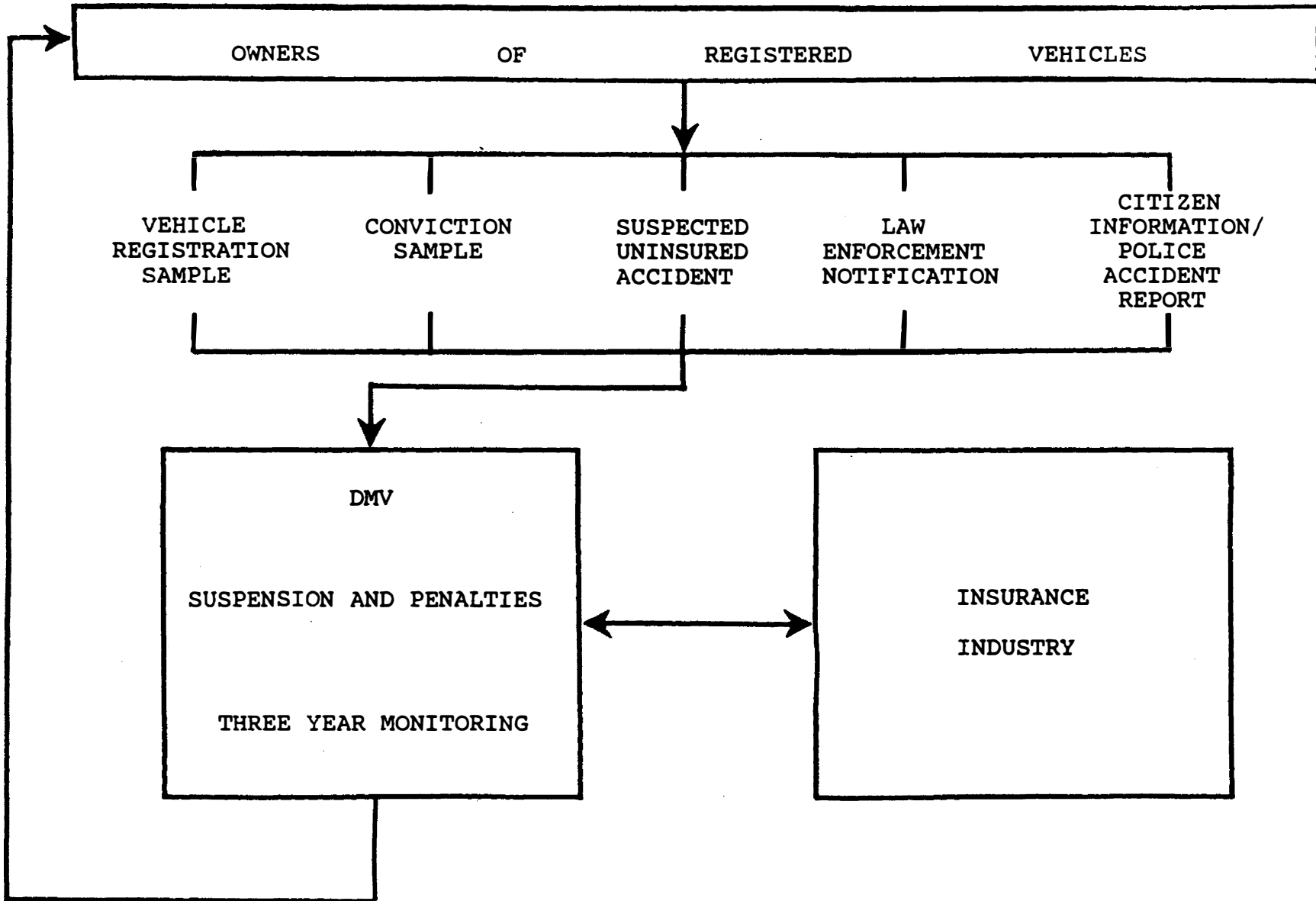


THERE ARE FIVE PROCESSES WHICH MONITOR MAINTENANCE OF LIABILITY INSURANCE.

UPON DETERMINATION THAT THERE IS NO INSURANCE - THE INDIVIDUAL MUST THEN FILE PROOF OF INSURANCE WITH DMV FOR THREE YEARS.

THE COMPLIANCE PROCESS WITHIN FR TRACKS THOSE INDIVIDUALS FOUND TO HAVE VIOLATED THE REQUIREMENT TO MAINTAIN INSURANCE.

# INSURANCE MONITORING PROCESS



**1987 SESSION**

LD6318500

**HOUSE JOINT RESOLUTION NO. 230**

Offered January 21, 1987

*Requesting the Department of Motor Vehicles to report annually to the General Assembly on the uninsured motorist situation in Virginia and the Department's efforts to improve it.*

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 Patrons—Keating and Cohen
 

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 Referred to the Committee on Roads and Internal Navigation
 

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WHEREAS, in recent years concern has increased over the effectiveness of Virginia's motor vehicle liability insurance laws in protecting its citizens from potential losses and injury caused by uninsured motorists; and

WHEREAS, a joint subcommittee established pursuant to House Joint Resolution No. 43 of the 1986 Session to study this matter and the insurance rates for taxicabs was concerned over the number of uninsured motorists on the road who had not paid the \$300 uninsured motorist fee and the fact that many people do not understand that the payment of the fee does not provide them with any insurance coverage; and

WHEREAS, the joint subcommittee found that the Department of Motor Vehicles has several insurance monitoring programs which have been successful in locating uninsured motorists, the newest of which entails the mailing of letters requesting insurance information to motorists randomly selected by a computer; and

WHEREAS, this program has increased the number of suspension orders and the revenues resulting therefrom; and

WHEREAS, although DMV indicated that it has prepared a brochure explaining the uninsured motorist provisions and the insurance monitoring programs, the joint subcommittee feels that DMV should seek other means, such as public service announcements, of informing the public that the payment of the uninsured motorist fee does not provide insurance coverage; and

WHEREAS, the joint subcommittee feels that it is in the best interest of the citizens of this Commonwealth that the General Assembly is informed about the Department of Motor Vehicle's efforts to reduce the number of uninsured motorists on the road and to educate the public regarding the uninsured motorist provisions; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concerning, That the Department of Motor Vehicles is hereby requested to report annually to the General Assembly certain information regarding the uninsured motorist situation in Virginia, the Department's efforts to improve the situation, and its methods of educating the public regarding the uninsured motorist provisions. The report shall include information on the following and any other information the Department deems appropriate:

1. The number of uninsured motorists who have voluntarily paid the \$300 fee and who paid the fee only after being found by DMV;

2. The total amount of uninsured motorist fees collected, the amount appropriate to DMV for its administrative expenses, and the net amount available for distribution to insurance companies;

3. Its insurance monitoring programs, including the results, costs, and any changes made in the programs; and

4. Its efforts to educate the public regarding the uninsured motorist provisions.

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