



CHRIS KAPENGA

WISCONSIN STATE SENATOR

Testimony on Senate Bill 638

Senate Committee on Insurance, Housing, and Trade

February 10, 2015

Thank you Chairman Lasee and committee members for holding a hearing today on Senate Bill 638. I also want to thank Representative Sanfelippo for authoring the bill in the Assembly and for his testimony.

This bill will protect Wisconsin's law-abiding drivers from the ill effects of uninsured motorists. Despite a 2009 law, requiring all Wisconsin drivers purchase a minimum amount of liability coverage, 12% percent of drivers on our roads today do not have car insurance. This presents two problems.

First, uninsured motorists pose a significant liability risk to other drivers. When an uninsured motorist damages another vehicle, or worse, injures another person, they are unable to cover the costs of the repairs and medical procedures necessary to make the victims whole. For context, in 2012, the uncovered costs due to uninsured motorists totaled \$2.6 billion, nationwide.

The second problem is that law-abiding drivers are harmed by uninsured motorists even before any damages occur. When an insurance company determines what premiums to offer, they take into account the risk of damages by uninsured motorists, costs they would likely have to cover in the event of an accident. Consequently, premiums for law-abiding citizens increase when there are more uninsured drivers on the road. To illustrate the significance of this cost, 10-15% of the mandatory part of an insurance policy is simply to accommodate the extra risk caused by uninsured motorists.

Senate Bill 638 takes several important steps to mitigate these risks. First, it increases the penalties associated with failing to purchase car insurance. Based on research comparing compliance rates across states, we believe that the penalties in this bill will maximize the incentive to purchase car insurance.

Additionally, this bill implements a method to ensure that those who are found in violation of the law are held accountable. Today, if a motorist receives a ticket for driving without insurance, they pay the ticket (which will likely cost less than a year of coverage) and will continue driving, likely without purchasing insurance. Under this bill, violators will be required to provide proof of insurance for three years following the violation in order to retain their license. This will ensure that uninsured motorists actually do purchase insurance before returning to the road.

Senate Bill 638 is good for law-abiding drivers. It protects innocent parties from undue charges, incentivizes drivers to purchase insurance, and ensures that noncompliant motorists are held accountable. Thank you, Mr. Chairman and committee members.



JOE SANFELIPPO

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February 10, 2016

Senate Bill 638

Chairman Lasee and committee members, thank you for allowing me the opportunity to testify on SB 638.

SB 638 is designed to achieve greater compliance with the state's automobile insurance law by increasing the fines for those who are caught driving without proper liability coverage.

The bill also aims to reduce the ability for scofflaws to game the system by purchasing insurance just long enough to get a fine reduced or eliminated and then cancelling the required coverage immediately following the court date.

Finally, the bill eliminates the penalty for no proof of insurance which is allowing some individuals to evade the law altogether.

Wisconsin has required the purchase of liability auto insurance to operate a motor vehicle since 2009. Despite this law, a significant number of drivers in Wisconsin still do not carry the mandated automobile insurance. When people who drive on Wisconsin roadways without liability insurance are involved in accidents, they usually are financially unable to pay for injuries and damages they cause to others. Because of this situation innocent, law-abiding citizens can end up with large bills for medical care, car repairs and increases in their own insurance costs through no fault of their own.

In 2014, there were 60,358 traffic convictions for driving without insurance. That's an average of 1161 convictions per week, and is also 8.5% of all traffic convictions.

Studies show that for mandatory auto insurance laws to be effective, the penalties for noncompliance must be significant and properly enforced.

A study from Florida State University's College of Business found that states with compulsory insurance laws, combined with high noncompliance fines, have decreased their uninsured driver rates. Nearly 12 percent of motorists on Wisconsin's roadways do not have liability coverage, and insurance experts estimate that law-abiding citizens can save almost \$7 million annually for every percentage point we lower in the number of uninsured drivers.

According to the Insurance Research Council, uninsured motorist claims totaled \$2.6 billion in 2012 - the most recent year for which statistics are available - a 75 percent increase from the previous decade.

Since I began circulating this bill, I've heard from numerous residents throughout the state who have had to pay thousands of dollars out of their own pockets to cover medical and damage costs caused by uninsured drivers. These innocent victims are hit again by paying increased insurance premiums.

Many law enforcement agencies around the state are not enforcing the current law simply because the penalties are too low and not worth their time. As a result people choose not to have insurance because they feel the law will not be enforced and even when it is, the penalty is much less than the cost of buying insurance. In addition, uninsured drivers believe that an accident is unlikely, that people won't pursue them in court for small damages, and that bankruptcy can protect them from a major accident.

We have made significant changes since I initially started circulating this proposal.

- Lowered the 1st offense penalty from \$1,000 min to \$5,000 max to \$250 min to \$750 max.
- Added a provision that a judge may dismiss the entire penalty for first offense if the individual becomes compliant with the law and obtains proper insurance.
- Lowered the 2nd and subsequent offense penalty from \$2,500 min to \$7,500 max to \$250 min to \$1,500 max.
- Increased the threshold for receiving a penalty from causing bodily harm to causing great bodily harm and lowered the penalty from \$5,000 min to \$7,500 max to \$250 min to \$2,500 max.
- Removed the penalty for causing damage to property.
- Lowered the penalty for causing death to another person from \$7,500 min to \$10,000 max to \$500 min to \$7,500 max.
- Reduced SR22 requirements from 5 years to 3 years.
- Eliminated penalty increases for failure to provide proof of insurance.
- Eliminated all felony charges.
- Eliminated penalty increases for falsifying insurance documents.
- Eliminated "No Pay No Play" provision.

These substantial changes were made after I met with stakeholders.

The lowering of the penalties and the added ability for judges to completely eliminate the 1st offense penalty greatly reduces the financial hardship included in the original version. The broad range between penalty amounts on the 2nd and subsequent offenses allows a judge discretion to levy fines appropriately between individuals in difficult circumstances and those blatantly disregarding the law.

This bill also instructs the Wisconsin Department of Transportation to suspend a driver's license upon receiving proof of a conviction for failure to have insurance. However, individuals in this situation are given one free pass if they become compliant with the law.

A person ticketed for driving without insurance can prevent his or her license from being suspended by providing the DOT with an SR-22 certificate, which produces evidence that they have obtained an insurance policy subsequent to receiving the ticket. Convicted drivers would have to be in the SR-22 program for three years. A judge even has the ability to dismiss the fine amount entirely.

SB 638 encourages greater compliance of the mandatory insurance laws by placing a real financial cost on driving uninsured, while allowing judges the ability to exercise discretion for those who are truly down on hard times.

Again, thank you for allowing me the time to testify on SB 638. I'd be happy to answer any questions you have on the bill.

February 9, 2016

The Honorable Frank G. Lasee
Chair, Senate Committee on Insurance, Housing
and Trade
Room 316 South
State Capitol Building
Madison, Wisconsin 53708

Re: Testimony Letter in Support of SB 638 – Committee Hearing, February 10, 2016

Dear Chairman Lasee and Members of the Committee:

The National Association of Mutual Insurance Companies (NAMIC) writes in support of SB 638, a bill that will help reduce the number of uninsured motorists on Wisconsin roads.

NAMIC is the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country's largest national insurers. NAMIC consists of more than 1,300 property/casualty insurance companies serving more than 135 million auto, home, and business policyholders, with more than \$208 billion in premiums. In Wisconsin, we have 195 member companies, including 113 domiciled companies, which underwrite 53% of the state's insurance business.

The problem of uninsured motorists has vexed policymakers ever since driving an automobile became a common practice. Uninsured motorists unfairly impose the cost of their lack of insurance upon responsible drivers, who must use other coverage, such as their uninsured motorist and collision insurance to pay for damages that should be covered by the uninsured motorist.

NAMIC applauds the sponsors of SB 638 for their collective effort to tackle this problem.

SB 638 takes important steps to rectify the situation by structuring incentives via firm, but fair, fines and improving mechanisms, such as by enhancing the SR-22 tool, that let uninsured motorists know Wisconsin is serious about uninsured driving. The bill also helps create the environment for the driver to learn that the purpose of insurance is not just to protect other motorists, bicyclists and pedestrians, but to also protect the driver from nagging adverse consequences associated with liability for damage caused to others.

Chairman Frank Lasee
February 9, 2016
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We appreciate your effort in giving this issue the serious attention it deserves. If there is anything NAMIC can do to assist you, or if you have any questions or comments, please do not hesitate to contact me. In the meantime, I remain,

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Johnston". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark Johnston
Director, State Affairs - Midwest Region

YWCA IS ON A MISSION

February 10, 2016

Dear Senate Committee on Insurance,
Housing, and Trade,

We oppose Senate Bill 638 and ask you to vote against it. This bill will penalize those who operate a vehicle without sufficient liability insurance by suspending their driver's licenses for three years.

The current law carries no mandatory suspension of driver's licenses. If this bill becomes law, thousands of people would lose their ability to drive to work and school for three years only because of their inability to afford the high cost of insurance.

We recognize the importance of carrying automobile liability insurance. And we appreciate the efforts of this legislature to impress that importance onto Wisconsin's drivers, especially those currently uninsured. But the solution proposed in SB 638 will not compel people to become insured if they simply cannot afford to do so. For those individuals, the punitive result of suspending their driver's license will only take away their access to transportation.

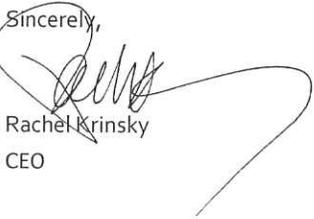
This bill will disproportionately impact low-income communities and those living in poverty. In Wisconsin, that disproportionately means people of color. By taking away their access to transportation, people already in poverty will have less access to jobs, training, education, and other services they need. This bill will overwhelmingly punish those who can least afford it, threatening their livelihood and ability to provide housing, food, and clothing for themselves and their families.

The YWCA Madison knows this first-hand. We run Dane County's only Drivers License Recovery Program, assisting those who have had their licenses suspended for civil violations. Our clients come to us because they need a license to meet an essential need, such as getting to and from work or school, transporting a child to daycare or school, or obtaining employment for a job they otherwise qualify for but for the lack of a driver's license.

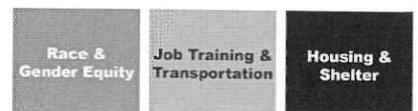
In 2014, we served 297 individuals. All of our clients live in poverty. Some are homeless, and most are housing-unstable. The majority of our clients have families to support and are struggling to meet the basic needs of shelter, clothing, and food for themselves and their families. The majority of our clients are people of color.

We ask you to vote no on SB 638. Please do not hesitate to contact me or Carousel Bayrd, our Policy and Partnership Coordinator, at (608) 395-2196.

Sincerely,


Rachel Krinsky
CEO

eliminating racism
empowering women
ywca



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TO: Senate Committee on Insurance, Housing & Trade
FROM: Vicky Selkove, Legislative Director, Legal Action of Wisconsin
RE: Senate Bill 638
DATE: February 9, 2016

Legal Action of Wisconsin is a nonprofit law firm. Our attorneys and staff provide free civil legal services to low-income people in 39 Wisconsin counties, across a territory that extends from the southeastern corner of the state up through Brown County in the east and La Crosse County in the west.

For nearly 20 years, we have helped to restore driver's licenses in Milwaukee. We have also represented clients in driver's license restoration cases in Madison, Green Bay, Racine, Stevens Point, and Wausau at various times. As well, since 2007, we have partnered with Wisconsin Community Services in a highly successful collaborative project: the Center for Driver's License Recovery & Employability (CDLRE). Since 2007, the CDLRE has helped more than 3,000 low-income Milwaukee residents restore their driver's licenses, and has provided legal advice and information to more than 4,300 additional Milwaukee residents.

We are opposed to SB 638 and believe it will have a tremendously negative affect on tens of thousands of Wisconsin residents who lack auto insurance because of poverty. While there has been much discussion and emphasis by the bill's proponents about uninsured motorists who cause accidents, this bill does not limit its stiff penalties (which include a 3-year license suspension) to uninsured drivers who have caused accidents; this legislation would apply those penalties to all uninsured motorists.

We know how critically important it is for low-income Wisconsin residents to have a valid driver's license, and what a struggle it is to get a license restored once it has been suspended or revoked. It takes our attorneys an average of 10-15 hours per client to help restore someone's license once it has been revoked or suspended.

SB 638 is virtually identical to 2015 AB 92, which has already been heard in the Assembly Committee on Judiciary. As with AB 92, the fiscal estimate for SB 638 from the Department of Transportation indicates that passage of this bill could lead to more than 40,000 three-year driver's license suspensions annually. **This in turn is likely to lead to a dramatic increase in the number of uninsured drivers in Wisconsin, since drivers without valid licenses face a very difficult time obtaining auto insurance.**

Our low-income clients want to buy auto insurance. They go without it because they cannot afford it. Our low-income clients – especially men of color – routinely show us quotes they've obtained for auto insurance upwards of \$200-300 per month. For our clients, most of whom are earning \$8-10/hour, there is just no way to make their limited budgets stretch to include auto insurance at those rates, no matter how much they would like the coverage. One of our clients who is working full-time and has one child, earns less than \$17,000 per year and is just above the federal poverty level. He recently told us he is trying to get auto insurance, but insurance companies provided premium quotes of more than \$300 per month.

Higher forfeitures and mandatory suspensions will not encourage clients like this to obtain insurance, because they are still unable to afford it. Instead, punitive approaches like those found in SB 638 will lead to more driver's licenses suspensions, making it even harder for people like our clients to get to work and keeping them trapped in the cycle of poverty.

As the Consumer Federation of America (CFA) has documented in extensive recent research, auto insurers use a variety of socio-economic rating factors that increase premiums for lower-income Americans. Insurance companies consider factors such as:

- Where will the vehicle be kept; insurance rates are significantly higher in zip codes with higher poverty and crime;
- CFA's research found that nationwide, in communities where more than 3/4s of the residents are African American, auto insurance premiums average 71% higher than in those communities with populations that are less than 1/4 African American, after adjusting for density and income. Even middle and upper-middle income African American zip codes show tremendous disparities in premiums over comparable white zip codes.
- Whether the vehicle is being financed; premiums are especially high for the millions of Americans who finance their car purchases;
- CFA's analysis showed that auto insurers charge higher rates to drivers with less education and lower-status jobs;
- Auto insurers also charge drivers with poor credit scores higher premiums than drivers with excellent scores;
- Auto insurers also utilize marital status in their auto insurance policy pricing, with single drivers generally paying higher premiums than married drivers.

This bill fails to address the real issue facing many of Wisconsin's uninsured motorists: poverty, and the cost of insurance. Stronger state consumer protections related to how auto insurance rates are set would lead to greater access to insurance and more fairness in rate setting than a punitive, license-suspension approach.

As well, if passed, this bill's proposed three-year suspension of a driver's license for Operating Without Insurance will be one of the longest existing driver's license suspensions or revocations in the state. It will be twice as long as the revocation for a second OWI conviction; three times as long as the suspension for being convicted of fleeing a law enforcement officer and causing bodily harm to another or property damage while fleeing.

In addition to suspending the driver's licenses of more than 40,000 Wisconsin residents each year, **this bill also requires that motor vehicle registrations be suspended.** This additional penalty is not consistent with most other suspensions and makes a bad bill even more problematic.

While we appreciate the author's efforts to lower the bill's forfeitures from those originally proposed in AB 92, for our clients, the multi-year mandatory suspension of their driver's licenses is the most concerning feature of this bill. This mandatory multi-year suspension for driving without insurance will

leave tens of thousands of Wisconsin residents without licenses, without valid motor vehicle registrations, and without the critical tools they need to obtain and maintain employment.

Senate Bill 638 will be tremendously detrimental to our clients and to other low-income drivers who are struggling to get and maintain their driver's licenses. We would welcome a policy-level conversation about how to help low-income drivers like my clients escape poverty through family-supporting jobs so that they can afford auto insurance. We would also welcome legislation that seeks innovative ways to help low-income drivers and other drivers who have had suspended licenses afford auto insurance, including implementing stronger state consumer protections related to how auto insurance rates are set. But a punitive, disproportionate, harsh approach such as that found in Senate Bill 638 will not lead to more insured drivers in our state.

Please do not hesitate to contact me if you have questions. I can be reached at yss@legalaction.org or (608) 620-2011.

Testimony in opposition to 2015 SB 638
Senate Committee on Insurance
Nichole Yunk Todd representing Wisconsin Community Services (WCS)
February 10, 2016

Good Morning Chairman Lasee and Distinguished Members of the Committee:

My name is Nichole Yunk Todd and I represent Wisconsin Community Services, better known as WCS, the state's oldest and largest social services agency providing services to individuals who are involved in the justice system.

My agency is the operating partner of the **Center for Driver's License Recovery and Employability**.

Over the past eight years, I and others at the Center have worked to identify and change laws related to driver's license suspensions. We have achieved bipartisan success, with Governors Walker and Doyle signing these reforms. These changes have helped to dramatically increase the number of legal drivers on our roads, **improving the safety for all** who use them.

While we do not doubt Rep. Sanfelippo's sincerity in bringing forth this legislation in an effort to increase the number of insured drivers in our state; unfortunately, it will have the **opposite effect** by further destabilizing low to moderate income drivers who cannot afford auto insurance **despite what the law requires**.

Mandatory auto insurance became **effective in Wisconsin** on June 1, 2010, over the **objections of the insurance industry**. Since then, our law enforcement officers have been **aggressively enforcing** it. The annual number of tickets written for **driving without insurance** and **driving without proof of insurance** has been well over 100,000. Last year, these two categories represented the **third and fourth highest written tickets** in our state.

These drivers are not getting off easy. They receive a ticket that generally ranges between **\$120 and \$250** for driving without insurance. Someone making **minimum wage** will **work 17 to 35 hours** to be able to pay this ticket. If they **do not or cannot pay**, their driver's licenses will **be suspended for up to two years** for failure to pay a forfeiture.

Testimony in opposition to 2015 SB 638
Senate Committee on Insurance
Nichole Yunk Todd representing Wisconsin Community Services (WCS)
February 10, 2016

Yet, Wisconsin has almost the **same rate of uninsured drivers** as we did when the bill went into effect in 2010, which was still during the Great Recession. It was 15% then, today it is a little lower, at 12%, which can be credited to a stronger economy.

The legislature cannot ignore the fact that many individuals who have low to moderate incomes cannot afford auto insurance. According to J. Robert Hunter, former Federal Insurance Commissioner under Presidents Ford and Carter, and former Texas Insurance Commissioner, the **majority of persons with low to moderate incomes** have to pay **over \$1,000 per year for auto insurance**. For those of you who are not familiar with this income level, these are individuals who make **\$12,000 per year or less**.

Based on a dozen studies of industry rates nationwide, individuals with low to moderate incomes are clearly **penalized for factors** that have **nothing to do with unsafe driving:**

- **Less education** means **higher auto insurance rates;**
- A **lower-paying job** means higher rates;
- **Being single, divorced, or widowed** means higher rates;
- Even a **short lapse in coverage** means higher rates;
- Not paying your **premium in full** means higher rates;
- Living in a **poorer zip code** means higher rates;
- Living in an **area with a higher percentage of people of color** means higher rates; and
- A **lower credit score** means higher rates.

We all know people who are paying higher rates because of one or more of these factors, including family or friends. Do you think they deserve to be penalized with up to a three-year license suspension and up to \$1,500 in fines if they cannot afford to keep up with Wisconsin's relatively new auto insurance requirement?

We all want to be safe on the road and protect ourselves and our family and friends. Getting into an **accident with someone who does not auto insurance is extremely frustrating;** so frustrating that it seems like we all know someone to whom this has happened. Maybe it has even happened to you. It might help for you to know the true

Testimony in opposition to 2015 SB 638
Senate Committee on Insurance
Nichole Yunk Todd representing Wisconsin Community Services (WCS)
February 10, 2016

size of what this bill seeks to make into a major problem.

The Wisconsin Department of Transportation **issues over 400,000 suspensions and revocations each year**. Please guess in your mind the percentage this 400,000 who are suspended or revoked for being a **guilty party in an uninsured auto accident**. The answer might surprise you: **one percent**.

Some people might still say, 'Sure, that is not a lot of accidents, but they are driving my rates up'. This is not the case. Those of us who do have auto insurance pay only \$5 a year to our respective companies to **cover these uninsured claims**.

Rep. Sanfelippo has reached out to our group, and, to his credit, has made notable changes since this bill was first referred to the assembly judiciary committee with much harsher penalties, where it was stuck because it did not have enough support. We sincerely appreciate his efforts, but we must still **strongly urge to you oppose this bill**.

Thank you for your time. I am happy to answer any questions.

END



Senate Committee on Insurance, Housing and Trade

Sentry Insurance Testimony in Support of Senate Bill 638

February, 2016

Theresa M. Elliott, Government Affairs Director for Sentry Insurance
Ethan Vaade, Director of Personal Lines Research & Development

Thank you Mr. Chairman and members of the committee for allowing Sentry Insurance to testify in support of Senate Bill 638. My name is Theresa Elliott, I am the Director of Sentry Insurance's State Government Affairs Department. With me from our non-standard business area is Ethan Vaade, who is our Director of Personal Lines Research and Development and has not only a Wisconsin perspective but a nationwide perspective on the uninsured motorists' situation. We would like to thank the authors for their very thought efforts and willingness to work with all groups to build a bill that addresses Wisconsin's uninsured motorist problem where 1 in 9 drivers in this state drive without insurance.

Our company has a large footprint, we operate in 48 states. As a result we are familiar with each states individual efforts to address their uninsured motorist's problems. We have learned a few things:

1. In every state we see confusion about the differences in insurance companies. Insurance is not a one-size-fits-all. Different companies cater to different groups. Companies define what types of products they want to sell, and those products attract a clientele. For example some companies chose to write motorcycle owners, some don't. Some choose to write boats or ATV's, some don't. Some choose to write Tesla's and some don't. And some company's choose to write policies on cars that are worth \$3,000 or less, and some don't. Companies design products that align with the services their customers want and need. Sentry Insurance has a non-standard auto company, which means we design products and process that are meant for people that are cash based, financially challenged, and/or have faced driving occurrences that other companies may consider too risky.
2. The other misnomer is the cost of insurance in Wisconsin. Sometimes perspective is important. If Wisconsin is the only place you have ever lived, you may think our insurance costs are high. But in reality our legislators and Department have done an exceptional job managing the cost of insurance in our state. They understand impact regulations, and fees can have on the cost of insurance and as a result the State of Wisconsin is listed as the sixth lowest in cost for insurance in the nation. Other states like Michigan, New York and California, who truly have high insurance costs, drivers abandon all hope of owning vehicles because they can't afford the \$ 2,000 (+) insurance. State legislators are desperately scrambling at the behest of automobile manufactures to find ways to incent consumers back into cars by setting up costly governmental programs that are riddled with huge fiscal impacts to state agencies and ultimately state taxpayers.

In Wisconsin the average cost for automobile insurance in Wisconsin is \$590 dollars a year, or \$295 every six months, or \$49 a month. Again speaking as a representative of Sentry, our company has catered to drivers where payment may be difficult. As a result, we have put into place the ability for our customers to pay with cash on a month to month basis. They don't need a bank account, they don't need a credit card, they don't need a checking account, they don't have to electronically transfer their payment or even mail it if that is difficult. They can



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Senate Committee on Insurance, Housing and Trade

Sentry Insurance Testimony in Support of Senate Bill 638

February, 2016

Theresa M. Elliott, Government Affairs Director for Sentry Insurance
Ethan Vaade, Director of Personal Lines Research & Development

simply come into their agent's office and pay their policy with cash if that works for them. You may wonder what the average cost for that policy is? Depending on their driving record and basic underwriting criteria such as, "do they live in a rural area or a city," a basic policy that meets the minimum requirements is about \$48 a month.

3. Opponents of an SR 22 system are under the false assumption that people who are operating under an SR 22 are financially penalized by insurance. Again, as a representative for Sentry Insurance, and I can share with you that we will not charge someone extra based on an SR 22 standing. And, we will not deny you because you have never had insurance before.

Different states have tried different things to address their uninsured motorists' issues. The most effective model is one like Utah where the police have the ability to pull up any license and see whether or not a driver is insured. Or North Carolina – where drivers are not issued plates until their insurance is listed and paid. Both systems are expensive, and now is not the time for Wisconsin to consider such models. We have seen states try high fines, low fines, no fines. We have seen felony charges resulting in impoundments and jail time. The good news? We have learned that the two primary components in SB 638 seem to be the most effective in lowering uninsured motorists' numbers in most states:

- States that have fines that range from \$250 - \$500 tend to see a higher level of compliance than those that have too low of fines or too high of fines. SB 638's \$250 fine for the first offense falls in that effective range. A component we like that the authors added was that this bill would waive the fine if the driver shows proof of insurance, a proposal we feel goes a long way to helping people who either did not know they needed insurance, chose not to have insurance, or felt they could not afford insurance.
- We have also found that states that properly utilize their SR-22 systems (known as Financial Responsibility Filings), where drivers are required to show proof of insurance for three years, not only see a higher level of compliance, but also establish behavior changes. Key points about SR-22 systems:
 - 41 states have leveraged their SR-22 systems to drive down the number of uninsured motorists.
 - Under this bill persons found driving without insurance would be put into the WI SR-22. This bill replicates most states that require three years in the system.
 - SR-22 does not mean your license is suspended for three years. It means that an individual is required to show evidence that they are insured for three years. The three years sets a pattern that results in a behavior change.
 - Our experience tells us that a large percentage of our customers successfully stay insured after participating in a State's SR-22 system.



Senate Committee on Insurance, Housing and Trade
Sentry Insurance Testimony in Support of Senate Bill 638
February, 2016

Theresa M. Elliott, Government Affairs Director for Sentry Insurance
Ethan Vaade, Director of Personal Lines Research & Development

Senators, no one in this room believes that this bill will eliminate Wisconsin's uninsured motorists' problem. However, based on Sentry's experience in other states, we believe this bill would result in a 1 to 2 % drop in uninsured motorists in Wisconsin. Some would say a 1% drop doesn't matter. But, in Wisconsin every 1% drop equates to \$7 million dollars in claims costs – costs. Those are costs that get passed on to your constituents - the wealthy, the middle class, and the low income who have opted to follow the law and buy insurance.

I would like to hand it over to Ethan so he can discuss more about the technical merits of this bill for Wisconsin.

Senate Committee on Insurance, Housing and Trade

Sentry Insurance Testimony Regarding Senate Bill 638

February, 2016

Theresa M. Elliott, Government Affairs Director for Sentry Insurance
Ethan Vaade, Director of Personal Lines Research & Development



Sentry Insurance focuses on the Nonstandard Auto insurance market. Many of our insureds are compliance buyers. These individuals typically purchase the minimum mandatory coverage to comply with state law. They are financially challenged and commonly un/underbanked. 80% do not have insurance when they begin their auto policy with Sentry. Most of our policy holders were part of the uninsured ranks at one time. This customer base provides a unique insight into the uninsured market and the challenges presented.

Insurance exists because risk exists. We take many steps to mitigate risk through regulation and education, but we cannot eliminate it. As long as cars are driven, accidents will happen. What we can do is transfer the risk by pooling the resources of a larger group to support an individual when a loss happens. Insurance is not a magic elixir. It cannot prevent bad things from happening and in some situations it will never restore a tragic loss. Insurance is the backstop that allows a person to move forward. An auto accident a scary and emotional event but insurance can prevent the simple fender bender from being a life altering event. Without auto insurance the \$5,000 repair or hospital bill may be insurmountable.

The Insurance Research Council study estimates in Wisconsin 11.7% of drivers are uninsured. That means 1 out of every 9 drivers on the road currently do not have insurance to cover the damages they may cause. This has an estimated \$75M annual impact on insurance premiums. Plus an additional \$75M in uncovered losses. In the current application of mandatory insurance Wisconsin has a \$150,000,000 aid program funded by individuals that elect to buy insurance to cover the damages caused by those without insurance.

The typical Wisconsin resident pays \$60 per year to carry mandatory coverage to protect themselves and their passengers against injury caused to their persons by an uninsured motorist. Those with fortunate financial situations are able to purchase optional coverages that protect their property, mainly vehicles, against uninsured motorists. These additional coverages can be equal to and commonly more expensive than the mandatory coverages. The majority of the compliance buyer market, Sentry's customers, do not purchase this additional coverage. They are on a tight budget, understand the need for insurance and purchase what they can afford. If they are struck by another individual that did not share their opinion on social responsibility the damaged party is left to pay for those repairs on their own. With money they do not have. The families most dependent on others participating in the insurance market are those most vulnerable. The impact caused by uninsured motorists is real.

Battling the uninsured problem requires two steps; deter noncompliance and change long term behavior. As stated, we believe the mandatory application of a \$250 – \$500 fine will deter noncompliance. This will create an immediate economic motivator to buy a policy. The cost of a policy to satisfy minimum requirements is often less expensive.

The larger challenge is changing behavior. This is how the existing SR-22 system comes into play. The SR-22 system is a program that already exists in Wisconsin that allows the DOT to monitor compliance

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with the mandatory insurance law. Currently insurance is mandatory but compliance is voluntary. Individuals are placed in the SR-22 system if they are found to be at fault in an auto accident without insurance. We wait until after the damage to monitor individuals who do not carry insurance.

Monitoring insurance will change behavior. Our data indicates that policies with an SR-22 are 20% more likely to keep their insurance in force for six months. Our data also reflects that an individual who has maintained insurance for six months is 45% more likely to maintain insurance for another six months. Even after expiration of the SR-22 period we believe these individuals will continue to carry insurance.

There are 100's of companies that offer auto insurance in Wisconsin, with prices and business practices monitored and regulated by the OCI. It is a complex market in which rates can vary greatly based company experience. Insurance is an expense and I don't know if there is an affordable rate for every situation. I don't want to presume I know what affordable is. I do believe we have an efficient market that has an affordable rate for more than 88% of the population. Stronger enforcement will reallocate the \$150M annually covered by those that buy insurance. It will protect those most financially at risk. The family that budgets for mandatory insurance. Those that understand insurance is their responsibility. Hopefully they never need it but in the unfortunate event they make a mistake while driving it is there to help the other party recover. They hope that same safety is there if it is someone else's mistake. Stronger application of the mandatory insurance law will help ensure that all drivers participate in the cost of driving.

Penalties for Driving Without Auto Insurance By State (as of 2015)



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State	1 st Offense	2 nd Offense	3 rd Offense	Estimated % Uninsured (2012)	Sources and Notes	Impact to UM Numbers
Alabama	<p>Fine: Up to \$500 fine.</p> <p>Imprisonment: Not more than 3 months (Per statute governing a Class C Misdemeanor; imprisonment not listed in state manual).</p> <p>Suspension of Registration: Suspension with \$200 reinstatement of registration fee; must demonstrate proof of insurance for 1 year after reinstatement.</p>	<p>Subsequent Offenses (Within the preceding four years)</p> <p>Fine: Up to \$1,000 (According to state pamphlet). Note: Statute (32-7A-12) defines 2nd offense as a Class B Misdemeanor; imprisonment not listed in state manual).</p> <p>Suspension of License: And/or a 6 month suspension (according to manual).</p> <p>Suspension of Registration: Registration suspension for 4 months and \$400 reinstatement of registration fee; must demonstrate proof of insurance for 3 years after reinstatement.</p>	<p>Note: The penalties referenced in the state manuals and pamphlets are from the original Act found here: Original Act</p> <p>Those penalties are no longer listed in the statute.</p>	19.6%	<p>Mandatory Liability Insurance Manual</p> <p>Brochure: Be Sure to Insure!</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
Alaska	<p>Suspension of License: Not less than 90 day suspension of license.</p>	<p>Subsequent Violation within 10 years</p> <p>Suspension of License: From 90 days to one year. Providing false information is a Class A misdemeanor (PCI).</p>		13.2%	<p>Alaska Code 28.22.041</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	

Penalties for Driving Without Auto Insurance By State (as of 2015)



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Arizona	<p>Fine: At least \$500.</p> <p>Suspension of License and Registration: 3 months. License plates also taken. Failure to produce evidence of financial responsibility to a law enforcement official is a civil traffic violation. Minimum civil penalty of \$250 may be imposed. (PCI)</p>	<p>Second violation within 36 months</p> <p>Fine: At least \$500</p> <p>Suspension of License and Registration: 6 months. License plates also taken.</p>	<p>Third or subsequent violation within 36 months</p> <p>Fine: At least \$750</p> <p>Suspension of License and Registration: 1 year. License plates also taken. Must file proof of financial responsibility.</p>	10.6%	<p>ARS 28-4135</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
Arkansas	<p>Fine: \$50-\$250</p> <p>Suspension of Registration: Suspended until proof of insurance coverage and a \$20 fee.</p>	<p>Fine: \$250-\$500 and the minimum fine shall be mandatory.</p> <p>Suspension of Registration: Suspended until proof of insurance coverage and a \$20 fee.</p>	<p>Third or Subsequent</p> <p>Fine: \$500-\$1,000</p> <p>Imprisonment: or sentenced to 1 year in jail, or both</p> <p>Suspension of Registration: Suspended until proof of insurance coverage and a \$20 fee.</p>	15.9%	<p>ACA 27-22-103</p> <p>Penalty</p> <p>Insurance Information Institute Update (October 2015)</p>	
California	<p>Fine: Not less than \$100 or more than \$200 plus penalty assessments (PCI).</p> <p>Impoundment: The court may order</p>	<p>Subsequent conviction, occurring within three years</p> <p>Fine: Not less than \$200 or more than \$500 plus penalty assessments. If the defendant fails to present proof of financial responsibility to the court, the judge must impose a fine that is greater than the minimums</p>		14.7%	<p>Vehicle Code Section 16029</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	

Penalties for Driving Without Auto Insurance By State (as of 2015)

	impoundment of the vehicle.	specified above. Knowingly providing false proof of financial responsibility to a peace officer or clerk of court is a misdemeanor punishable by a fine of up to \$750 and/or up to 30 days in jail, and mandatory one-year driver's license suspension. Impoundment: The court may order impoundment of the vehicle.					
Colorado	<p>Fine: Minimum penalty is \$500 fine.</p> <p>Class 1 misdemeanor traffic offense.</p> <p>Community Service: At the discretion of the court, be sentenced to perform not less than 40 hours of community service.</p> <p>License Suspension: If proof of financial responsibility not provided.</p>	<p>Subsequent conviction within a period of five years</p> <p>Fine: Not less than \$1,000.</p> <p>Community Service: At the discretion of the court, be sentenced to perform up to 40 hours of community service.</p> <p>License Suspension: Until proof of financial responsibility provided.</p> <p>Imprisonment: Discretion to imprison 10 days to 1 year.</p>	Subsequent offenses built into second offense.	16.2%	<p>Title 42 Regulations of Vehicles and Traffic Part 14 Other Offenses</p> <p>42-4-1409. Compulsory insurance – penalty – legislative intent</p> <p>42-4-1410. Proof of financial responsibility required – suspension of license</p> <p>42-4-1701(3)(a)(II)(A) Traffic offenses and infractions classified – penalties – penalty and surcharge schedule – repeal</p> <p>PCI Compulsary Insurance - Automobiles</p>		

Penalties for Driving Without Auto Insurance By State (as of 2015)



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				8.0%	<p>Insurance Information Institute Update (October 2015)</p> <p>Sec. 14-213b. Operation prohibited when insurance coverage fails to meet minimum requirements. Penalty. Evidence of insurance coverage required to restore suspended license.</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
Connecticut	<p>Fine: \$100-\$1,000</p> <p>Class D misdemeanor (PCI).</p> <p>Suspension of License and Registration: 1 month, must show proof of insurance.</p>	<p>Second and Subsequent Fine: \$100-\$1,000.</p> <p>Suspension of License and Registration: 6 months and must show proof of insurance.</p>				
Dist. of Columbia	<p>For Operating and Owning</p> <p>Fine for Operating: \$500</p> <p>Fine for Owning Registered Vehicle that is not insured: Civil fine of \$150 shall be assessed for each vehicle without the required insurance for a period of 1 to 30 days, and increasing to \$7 for each day thereafter, not to</p>	<p>Increase of 50% of fine for each subsequent offense for Operating without Insurance.</p> <p>Fine for Operating: \$750</p> <p>Fine for Owning Registered Vehicle that is not insured: \$150 shall be assessed for each vehicle without the required insurance for a period of 1 to 30 days, and increasing to \$7 for each day thereafter, not to exceed a total of \$2,500</p> <p>Suspension of License (For Operating): Or a suspension of 60 days or both.</p>	<p>Note: Being an owner of an uninsured vehicle, and being an owner and operating an uninsured vehicle are two different offenses.</p> <p>In the spreadsheet I have combined both maximum fines.</p>	11.9%	<p>DC DMV Vehicle Insurance Requirements</p> <p>§ 31-2403. Required Insurance.</p> <p>§31-2413. Penalties: adjudications</p> <p>Insurance Information Institute Update (October 2015)</p>	

Penalties for Driving Without Auto Insurance By State (as of 2015)

	<p>exceed a total of \$2,500.</p> <p>Suspension of License (For Operating): Or a suspension of 30 days or both.</p> <p>Suspension of Registration (For having Registered Without Insurance): The suspension shall remain in effect until the person appears at the Department with proof of an effective motor vehicle insurance policy and pays a reinstatement fee and the applicable fine.</p>	<p>Suspension of Registration (For having Registered Without Insurance): The suspension shall remain in effect until the person appears at the Department with proof of an effective motor vehicle insurance policy and pays a reinstatement fee and the applicable fine.</p>			<p>Delaware Code Title 21, 2118.s(1)</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
<p>Delaware</p>	<p>Fine: \$1,500-\$2,000</p> <p>Suspension of License: 6 months and must provide proof of insurance.</p>	<p>For each subsequent offense occurring within 3 years</p> <p>Fine: \$3,000-\$4,000.</p> <p>Suspension of License: 6 months and must provide proof of insurance.</p> <p>Suspension of Registration.</p> <p>Additional Penalties: Mandatory penalty of \$100 for each vehicle without the required</p>	<p>Subsequent offenses: Fine of \$1,000-\$2,000 and/or imprisonment of 60 days to six months.</p>	<p>11.5%</p>		



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Penalties for Driving Without Auto Insurance By State (as of 2015)



	<p>insurance for a period up to 30 days. Beginning on the 31st day of penalty period, the penalty shall increase by a rate of \$5 for each subsequent day until insurance is replace. (\$50 reinstatement fee also applies). Possession or manufacture of fictitious proof shall result in a fine of \$500 to \$1,500 and/or imprisonment of 30 to 60 days. (PCI)</p>		23.8%	<p>Florida Statutes 324.0221. Reports by insurers to the department: suspension of driver license and vehicle registrations; reinstatement. PCI Compulsary Insurance - Automobiles Insurance Information Institute Update (October 2015)</p>	
<p>Florida</p>	<p>The violation here is not having insurance – which insurers have to report to the state. Driving without a valid registration or license, or failing to turn in places would be different violations. Fee: Providing false security information is a misdemeanor in the first degree, subject to a maximum imprisonment of one year or \$1,000 penalty. (PCI) Suspension of License and Registration. Failure to provide proof at court date</p>	<p>Suspension of License and Registration. Until reinstatement fee is paid and non-cancelable coverage is secured. Reinstatement Fee: The reinstatement fee is \$250 for the second reinstatement.</p>	<p>Suspension of License and Registration. Until reinstatement fee is paid and non-cancelable coverage is secured. Reinstatement Fee: \$500 for each subsequent reinstatement during the 3 years following the first reinstatement.</p>		

Penalties for Driving Without Auto Insurance By State (as of 2015)



	<p>will result in suspension of registration and driver's license. Until reinstatement fee is paid and non-cancelable coverage is secured.</p> <p>Reinstatement Fee: of \$150 for the first reinstatement.</p>					
Georgia	<p>Fine: \$200-\$1,000, misdemeanor</p> <p>Imprisonment: For not more than 12 months, or both.</p> <p>Suspension of License: 60 days and until proof of 6 month minimum insurance policy and pays a restoration fee of \$210 or \$200.</p>	<p>Second or subsequent offense within a five-year period</p> <p>Fine: \$200-\$1,000</p> <p>Imprisonment: For not more than 12 months, or both.</p> <p>Suspension of License and Registration: 90 days and until proof of 6 month minimum insurance policy and pays a restoration fee of \$310 or \$300.</p>	<p>Note: Where penalty description includes "or both" as with Georgia imprisonment, the statute provides discretion to impose the noted penalty alone or in conjunction with the penalty identified immediately above it in this chart.</p>	11.7%	<p>Chapter 6, § 40-6-10. Insurance requirements for operation of motor vehicles generally.</p> <p>Chapter 5, § 40-6-70. Suspension of drivers' licenses for failure to show proof of required minimum insurance; hearings; mandatory suspension.</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
Hawaii	<p>Fine: The fine shall be \$500 for the first offense.</p>	<p>Subsequent offenses within a five-year period</p>	<p>In the case of multiple convictions for driving without a valid motor vehicle insurance policy within a five-year period</p>	8.9%	<p>§ 431: 10C-117 Penalties.</p>	

Penalties for Driving Without Auto Insurance By State (as of 2015)

	<p>Discretion to Suspend Fine: Discretion to suspend all or any portion of the fine if the defendant provides proof of having a current motor vehicle insurance policy.</p> <p>Community Service: Upon the defendant's request, the judge may grant community service in lieu of the fine, of not less than 75 hours and not more than 100 hours for the first offense.</p> <p>Suspension of License: Suspend the driver's license of the driver or of the registered owner for 3 months or require nonrefundable motor vehicle insurance policy in force for six months.</p>	<p>Fine: Minimum of \$1,500. Fine under this section may not exceed \$5,000.</p> <p>Discretion to Suspend Fine: Discretion to suspend all or any portion of the fine if the defendant provides proof of having a current motor vehicle insurance policy.</p> <p>Community Service: Not less than 200 hours nor more than 275 hours for the second offense and may grant community service in lieu of the fine for subsequent offenses at the judge's discretion.</p> <p>Suspension of License: Suspend the driver's license of the driver or of the registered owner for 1 year or require nonrefundable motor vehicle insurance policy in force for six months.</p>	<p>from any prior offense, the court, in addition to any other penalty, shall impose the following penalties:</p> <p>Imprisonment: of not more than 30 days.</p> <p>Suspension of Registration: Revocation of registration plates.</p> <p>Impoundment, or sale: of the motor vehicle for the costs of storage and other charges incident to seizure of the vehicle, or any other cost involved.</p> <p>Any combination of those penalties</p>	6.7%	<p>Insurance Information Institute Update (October 2015)</p>	<p>49-1229. Required motor vehicle insurance.</p> <p>PCI Compulsary Insurance - Automobiles</p>
Idaho	<p>Fine: \$75</p> <p>Suspension of License: Suspended until proof of financial responsibility.</p>	<p>Subsequent violations within 5 years</p> <p>Misdemeanor</p> <p>Fine: Up to \$1,000</p>				



Penalties for Driving Without Auto Insurance By State (as of 2015)



	<p>Must Give Proof of Insurance: Maintain proof of financial responsibility throughout the one (1) year period following the conviction.</p>	<p>Suspension of License: Suspended until proof of financial responsibility. Imprisonment: Or by 6 months in jail or both. Must Give Proof of Insurance: Maintain proof of financial responsibility throughout the 3 year period following such conviction.</p>			<p>49-1222. Surrender of Idaho driver's license. 49-12008. Proof required upon certain convictions. Insurance Information Institute Update (October 2015)</p>	
<p>Illinois</p>	<p>Fine: \$501-\$1,000 (Language is in excess of \$500). License Suspension: 3 months and reinstatement fee of \$100. Operating a vehicle when the vehicle's registration has been suspended for noninsurance is a business offense for the first offense and a misdemeanor for subsequent offenses.</p>	<p>Same as first offense.</p>	<p>Third or subsequent violation. Fine: Not less than \$1,000 or more than \$2,000. License Suspension: 3 months and reinstatement fee of \$100. Proof of Insurance: Must maintain the proof of insurance for a minimum period of 3 years after the date the proof is first filed.</p>	<p>13.3%</p>	<p>625 ILCS 5/3-707, Sec. 3-707. Operation of uninsured motor vehicle — penalty. PCI Compulsary Insurance - Automobiles Insurance Information Institute Update (October 2015)</p>	
	<p>Fines Reduced If: A person who (i) has not previously been convicted of or received a disposition of court supervision for violating this</p>					

Penalties for Driving Without Auto Insurance By State (as of 2015)



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	<p>Section and (ii) produces at his or her court appearance satisfactory evidence that the motor vehicle is covered, as of the date of the court appearance, by a liability insurance policy in accordance with Section 7-601 of this Code shall, for a violation of this Section, other than a violation of subsection (a-5), pay a fine of \$100 and receive a disposition of court supervision.</p> <p>False Proof: Suspension of registration for six months and a \$200 reinstatement fee.</p>			14.2%	<p><u>IC 9-25-8 Chapter 8. Penalties.</u> <u>IC 9-25-6. Chapter 6. Suspension of Driving Privileges and Vehicle Registrations.</u> <u>IC 9-29-10. Chapter 10. Fees Under IC 9-25.</u></p>	
Indiana	<p>License Suspension: Court may suspend driver's license and/or vehicle registration for one year. (PCI) Class A or Class C Misdemeanor</p>	<p>Subsequent Violations Within 5 Years License Suspension: 1 year Reinstatement Fees: \$225 Registration Suspension: Or registration suspension for not more than one (1) year. Proof of Future Insurance Required if Found Operating</p>	<p>License Suspension: 1 year Reinstatement Fees: \$300 Registration Suspension: Not more than 1 year. Proof of Future Insurance Required if Found Operating</p>			

Penalties for Driving Without Auto Insurance By State (as of 2015)

	<p>Reinstatement Fees: \$150</p> <p>Proof of Future Insurance Required if Found Operating Without Insurance: Must provide proof of future financial responsibility for a period of three (3) years beginning on the date on which the suspension of the person's driving privileges terminates.</p>	<p>Without Insurance: Must provide proof of future financial responsibility for a period of three (3) years beginning on the date on which the suspension of the person's driving privileges terminates.</p>	<p>Without Insurance: Must provide proof of future financial responsibility for a period of three years beginning on the date on which the suspension of the person's driving privileges terminates.</p>	<p>9.7%</p>	<p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
Iowa	<p>Fine: \$250. If in connection with a MVA, charged and found guilty of violation, \$500.</p> <p>Community Service: In lieu of fine.</p> <p>Warning or Citation: Possible when pulled over without insurance.</p> <p>Removal of Plates and Registration: Possible when pulled over without insurance. Reissued upon payment of fine, or</p>			<p>9.7%</p>	<p>Iowa Code Title VIII Subtitle 1 and Iowa Code Title XVI Subtitle 2</p> <p>321.20B Proof of security against liability – driving without liability coverage.</p> <p>805.8A Motor vehicle and transportation scheduled violations.</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	



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Penalties for Driving Without Auto Insurance By State (as of 2015)

	<p>completed community service, and proof of insurance and \$15 fee.</p> <p>Impoundment: Possible. (PCI)</p>		9.4%		
<p>Kansas</p>	<p>Fine: \$300-\$1,000</p> <p>Class B Misdemeanor (PCI)</p> <p>Impoundment: Or confinement in the county jail for a term of not more than 6 months, or both such fine and confinement.</p> <p>Suspension of License and Registration: Until proof of insurance has been filed with the director.</p> <p>Registration Reinstatement Fee: Shall be \$100</p> <p>Proof of Insurance: For one year, if convicted of driving without liability insurance.</p>	<p>Subsequent violation within 3 years</p> <p>Class A Misdemeanor (PCI)</p> <p>Fine: \$800-\$2,500</p> <p>Suspension of License and Registration: Until proof of insurance has been filed with the director</p> <p>Registration Reinstatement Fee: Shall be \$300 if revoked within previous year – otherwise \$100.</p> <p>Proof of Insurance: For one year if convicted of driving without liability insurance.</p>	<p>Third of Subsequent Conviction Within 5 years is a Habitual Violation</p> <p>Driving Privilege: Revoke the person's driving privileges for a period of three years.</p> <p>Suspension Registration: Until proof of insurance has been filed with the director.</p> <p>Registration Reinstatement Fee: Shall be \$300 if revoked within previous year – otherwise \$100.</p> <p>Proof of Insurance: For one year if convicted of driving without liability insurance.</p>	<p>40-3104. Motor vehicle liability insurance coverage required; prohibited vehicle operation; verification; self-insurance; display of proof of financial security; penalties for failure to maintain financial security; reinstatement fees</p> <p>40-3118. Financial security as prerequisite to motor vehicle registration, et. al.</p> <p>Insurance Information Institute Update (October 2015)</p>	



Penalties for Driving Without Auto Insurance By State (as of 2015)

Kentucky	<p>Punishment for both owners and operators</p> <p>Fine: \$500-\$1,000</p> <p>Imprisonment: or sentenced to not more than 90 days in jail, or both imprisoned and fined.</p> <p>Registration Suspensions: 1 year or until such time as proof, in a form satisfactory to the commissioner, is furnished that the security is then and will remain in effect.</p>	<p>For Second and Subsequent Offenses within any 5 year period:</p> <p>Fine: or fined not less than \$1,000-2,500 or both imprisoned and fined.</p> <p>Imprisonment: may be sentenced to 180 days</p> <p>Registration Suspensions: 1 year or until such time as proof, in a form satisfactory to the commissioner, is furnished that the security is then and will remain in effect.</p> <p>License Revoked: operator's license revoked for 1 year if one previous violation, 2 years if more than 1 previous conviction.</p>	<p>Fine: Not more than \$500</p> <p>Suspension of Registration and Revocation of Plates: until proof of valid insurance is given and reinstatement fees paid.</p> <p>Reinstatement Fee: \$150 + \$10</p> <p>Impoundment: If the operator of a motor vehicle is unable to show compliance with the provisions registered in Louisiana. (Discretion not to) Subject to storage and wreckage fees.</p>	<p>Fine: Not more than \$500</p> <p>Suspension of Registration and Revocation of Plates: until proof of valid insurance is given and reinstatement fees paid.</p> <p>Reinstatement Fee: \$150 + \$10</p> <p>Impoundment: If the operator of a motor vehicle is unable to show compliance with the provisions registered in Louisiana.</p>	<p>15.8%</p>	<p>304.99-.060. Penalties for violation of Subtitle 39 – Reduction of Penalty.</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
Louisiana	<p>Fine: Not more than \$500</p> <p>Suspension of Registration and Revocation of Plates: until proof of valid insurance is given and reinstatement fees paid.</p> <p>Reinstatement Fee: Vary.</p> <p>\$100/no coverage 1-30 days;</p> <p>\$250/no coverage 31-90; \$500/no coverage in</p>	<p>Fine: Not more than \$500</p> <p>Suspension of Registration and Revocation of Plates: until proof of valid insurance is given and reinstatement fees paid.</p> <p>Reinstatement Fee: \$150 + \$10</p> <p>Impoundment: If the operator of a motor vehicle is unable to show compliance with the provisions registered in Louisiana. (Discretion not to) Subject to storage and wreckage fees.</p>	<p>Fine: Not more than \$500</p> <p>Suspension of Registration and Revocation of Plates: until proof of valid insurance is given and reinstatement fees paid.</p> <p>Reinstatement Fee: \$150 + \$10</p> <p>Impoundment: If the operator of a motor vehicle is unable to show compliance with the provisions registered in Louisiana.</p>	<p>13.9%</p>	<p>\$865. Criminal sanctions for operating motor vehicle not covered by security.</p> <p>32. §863. 1. Evidence of compulsory motor vehicle liability security contained in vehicle; enforcement; penalty; fees.</p> <p>Supreme Court of Louisiana Case which Discusses penalties for driving without insurance.</p>		



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Penalties for Driving Without Auto Insurance By State (as of 2015)



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<p>excess of 90 days: No reinstatement fee/10 days or less and insured surrenders the vehicle's license plate to the secretary within 10 days.</p> <p>If at time of reinstatement, person has multiple violations, and is within 60 days of notice, total fees not to exceed \$850.</p> <p>Impoundment: If the operator of a motor vehicle is unable to show compliance with the provisions the provisions registered in Louisiana.</p> <p>(Discretion not to) Subject to storage and wreckage fees.</p> <p>False Information: Above penalties for revocation, impoundment, and cancellation, but for a period of 12-18 months.</p> <p>Failure of Proof: Subject to impoundment with</p>		<p>(Discretion not to) Subject to storage and wreckage fees.</p>	<p><u>PCI Compulsary Insurance - Automobiles</u></p> <p><u>Insurance Information Institute Update (October 2015)</u></p>	
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Penalties for Driving Without Auto Insurance By State (as of 2015)

<p>a reinstatement fee of \$100 for the first offense, \$250 for a second offense, and \$500 for subsequent offenses.</p> <p>Liability Insurance: Knowingly operating a motor vehicle without required liability insurance is punishable by a fine of not less than \$500, nor more than \$1,000. If the vehicle is involved in an accident and is not covered by the security, the owner is subject to the following: 1) fine not less than \$500 nor more than \$1,000; 2) registration of vehicle revoked for 180 days; and 3) driving privileges suspended for 180 days. With limited exceptions, no recovery for first \$15,000 of BI and \$25,000 of PD if owner or operator of vehicle in accident fails to</p>					
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Penalties for Driving Without Auto Insurance By State (as of 2015)



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	<p>own or maintain insurance. (PCI)</p>			4.7%	<p>Title 29-A: Motor vehicles heading chapter 13: financial responsibility and insurance. Subchapter 2: General financial responsibility</p>	
Maine	<p>Fine: \$100-\$500 Suspension of License: 30 days (PCI) Suspension of Registration: 30 days</p>				<p>\$1601. Required maintenance of financial responsibility. PCI Compulsary Insurance - Automobiles</p>	
Maryland	<p>Fine: \$150 for a period of 1-30 days. If a fine is assessed, beginning on the 31st day, the fine shall increase by a rate of \$7 for each day. Penalty may not exceed \$2,500 for each violation in a 12 month period.</p>			12.2%	<p>Insurance Information Institute Update (October 2015) MD DOT MD Transportation Code Ann. § 17-106</p>	<p>Insurance Information Institute Update (October 2015)</p>
	<p>Suspension of License: Until proof of insurance</p>					

Penalties for Driving Without Auto Insurance By State (as of 2015)

	<p>Suspension of Registration: Of up to \$25 for a vehicle's registration.</p> <p>Fine: \$200-\$500</p> <p>Imprisonment: Not more than 1 year, or both</p> <p>Suspension of License: 30 days or until proof of insurance is submitted, whichever occurs later.</p> <p>Service Fee: \$25 service fee to reinstate license once proof of insurance shown.</p> <p>Fine of up to \$1,000 and/or one year imprisonment for forged insurance certificate.</p>	<p>Second Offense Within 6 Years</p> <p>Fine to Municipality: \$500-\$5,000</p> <p>Fine to Risk Plan: \$500 or one year's premium for compulsory motor vehicle insurance.</p> <p>Imprisonment: Up to 1 year or both fine and imprisonment.</p> <p>Suspension of License: 1 year</p>	<p>Note: There is some confusion interpreting this statute. A 'notwithstanding' clause at the end of the statute has been interpreted to limit the fine to a municipality for a first offense to \$500. Other readings, such as the clause limiting penalties for a first offense to \$500, are possible.</p>	3.9%	<p>Section 34J</p> <p>Assigned Risk Plans</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
Michigan	<p>Fine: Misdemeanor, \$200-\$500</p> <p>Imprisonment: Not more than 1 year, or both</p> <p>Suspension of License: 30 days</p>			21.0%	<p>THE INSURANCE CODE OF 1956 Sec. 3102(2) Nonresident owner or registrant of motor vehicle or motorcycle to maintain security for payment of benefits; operation of motor vehicle or motorcycle</p>	



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Penalties for Driving Without Auto Insurance By State (as of 2015)



	<p>or until proof of insurance is submitted, whichever occurs later.</p> <p>Service Fee: \$25 service fee to reinstate license once proof of insurance shown</p> <p>False Information is a misdemeanor punishable by imprisonment for not more than 1 year or a fine of not more than \$1,000 or both. (PCI)</p>				<p>by owner, registrant or other person without security; penalty; failure to produce evidence of security; rebuttable presumption.</p> <p>MICHIGAN VEHICLE CODE Section 257.328(4) Producing evidence of motor vehicle insurance upon request of police officer; violation as civil infraction; certificate of insurance as prima facie evidence that insurance in force; et.al.</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
<p>Minnesota</p>	<p>Fine: Misdemeanor, \$200-\$1,000</p> <p>Imprisonment: Not more than 90 days or a fine or both the fine and imprisonment.</p> <p>License Suspension: Suspended until</p>	<p>Fine: \$200-\$1,000</p> <p>Imprisonment: Not more than 90 days or a fine or both the fine and imprisonment.</p> <p>License Suspension: Suspended until proof of insurance. Sec. 169.792 says at least 30 days. Not more than 12 months (Sec. 169.797).</p>	<p>A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section</p> <p>Fine: \$200-\$3,000</p> <p>License Suspension: Suspended until proof of insurance. Sec.</p>	<p>10.8%</p>	<p>169.797 Penalties for failure to provide vehicle insurance.</p> <p>609.02 Definitions. (Difference between Misdemeanor and Gross Misdemeanor referenced in penalty section)</p> <p>Minnesota Traffic Citations</p>	



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Penalties for Driving Without Auto Insurance By State (as of 2015)

	<p>proof of insurance. <u>Sec. 169.792</u> says at least 30 days. Not more than 12 months (<u>Sec. 169.797</u>).</p> <p>Registration Suspension: Suspended not more than 12 months and until proof of insurance.</p> <p>Community Service: The court may allow community service in lieu of any fine imposed if the defendant is indigent.</p> <p>Vehicle Impounded: Not present as a penalty in statute but listed as a possibility by the <u>Minnesota courts</u>.</p>	<p>Registration Suspension: Suspended not more than 12 months and until proof of insurance.</p> <p>Community Service: The court may allow community service in lieu of any fine imposed if the defendant is indigent.</p> <p>Vehicle Impounded: Not present as a penalty in statute but listed as a possibility by the <u>Minnesota courts</u>.</p>	<p>169.792 says at least 30 days. Not more than 12 months (Sec. 169.797).</p> <p>Registration Suspension: Suspended not more than 12 months and until proof of insurance.</p> <p>Imprisonment: Not more than 1 year or a fine or both the fine and imprisonment.</p> <p>Community Service: The court may allow community service in lieu of any fine imposed if the defendant is indigent.</p>	<p>22.9%</p>	<p>169.792 Revocation of license for failure to produce proof of insurance</p> <p>Insurance Information Institute Update (October 2015)</p> <p><u>§ 63-15-4. Insurance card; exemptions; card to be kept in vehicle; insurance company to provide; penalty</u></p> <p><u>PCI Compulsary Insurance - Automobiles</u></p>	
<p>Mississippi</p>	<p>Fine: \$500 Reduced to \$100 if violator shows there is coverage by time of hearing.</p> <p>Suspension of License: 1 year or until the owner of the motor vehicle shows proof of liability insurance.</p>			<p>22.9%</p>	<p><u>§ 63-15-4. Insurance card; exemptions; card to be kept in vehicle; insurance company to provide; penalty</u></p> <p><u>PCI Compulsary Insurance - Automobiles</u></p>	

Penalties for Driving Without Auto Insurance By State (as of 2015)



Missouri	<p>Suspension of Registration: Whenever the director, under any law of this state, suspends or revokes the license of any person.</p> <p>False evidence of insurance punishable up to \$1,000 fine or one year imprisonment.</p> <p>Failure of Proof: Fine of \$500 and license suspension for up to one year or until the owner of the motor vehicle shows compliant proof of insurance. (PCI)</p>	<p>Second or Subsequent within 2 years</p> <p>Fine: Not to exceed \$300</p> <p>Imprisonment: Imprisonment in the county jail for a term not to exceed 15 days and/or a fine.</p> <p>Suspension of License: 90 days and reinstatement fee of \$200 and submission of proof of insurance.</p> <p>Suspension of Registration: Whenever the director, under any law of this state, suspends or</p>	<p>Two or more prior convictions</p> <p>Fine: Not to exceed \$300</p> <p>Imprisonment: Imprisonment in the county jail for a term not to exceed 15 days and/or a fine.</p> <p>Suspension of License: 1 year and payment of a reinstatement fee of</p>	13.5%	<p><u>Duty to maintain financial responsibility, residents and nonresidents, misdemeanor penalty for failure to maintain – exception, methods – court to notify department of revenue, additional punishment, right of appeal.</u></p> <p><u>Suspension, effective when – length of</u></p>	
					<p><u>Insurance Information Institute Update (October 2015)</u></p>	

Penalties for Driving Without Auto Insurance By State (as of 2015)

	<p>Suspension of Registration: Whenever the director, under any law of this state, suspends or revokes the license of any person the director shall also suspend the registration for all motor vehicles registered in the name of such person. Producing or distributing a fraudulent insurance card is a Class D felony. Possessing a fraudulent insurance ID card is a Class B misdemeanor.</p>	<p>revokes the license of any person, the director shall also suspend the registration in the name of such person.</p>	<p>\$400 and submission of proof of insurance. Suspension of Registration: Whenever the director, under any law of this state, suspends or revokes the license of any person the director shall also suspend the registration for all motor vehicles registered in the name of such person.</p>		<p>suspension, factors considered – false submission of proof of insurance, suspension, duration, fee. Vehicle registration suspended on suspension of license for conviction or bail forfeiture – proof required for re-registration. PCI Compulsary Insurance - Automobiles Insurance Information Institute Update (October 2015)</p>	
<p>Montana</p>	<p>Fine: \$250-\$500 Imprisonment: Or by imprisonment in the county jail for not more than 10 days, or both.</p>	<p>Subsequent Offense Within 5 Years Fine: \$350 Imprisonment: Or by imprisonment in the county jail for not more than 10 days, or both. Suspension of Registration and License Plates: 90 days and until proof of insurance. Restricted registration for work allowed.</p>	<p>Third Offense Within 5 Years Fine: \$500 Imprisonment: or by imprisonment in the county jail for not more than 6 months, or both. Suspension of Registration and License Plates: 180 days and until proof of insurance. Restricted</p>	<p>14.1%</p>	<p><u>Report to Legislature 2006</u> <u>61-6-304. Penalties.</u> <u>Insurance Information Institute Update (October 2015)</u></p>	



Penalties for Driving Without Auto Insurance By State (as of 2015)



			<p>registration for work allowed.</p> <p>Fourth or Subsequent Within 5 Years</p> <p>Same penalties as 3rd Plus Suspension Below</p> <p>Suspension of Driver's License: Until proof of insurance</p>	6.7%	<p>60-3.167. Financial responsibility; owner; requirements; prohibited acts; violation; penalty; dismissal of citation; when.</p> <p>60-528. Proof of financial responsibility; proof; enumerated; copy provided.</p> <p>60-505.02. Reinstatement of license or registration; filing of proof of financial responsibility; payment of fees.</p> <p>Nebraska DMV</p> <p>Insurance Information Institute Update (October 2015)</p>	
Nebraska	<p>Suspension of License and Registration: Upon conviction, the owner shall have his or her motor vehicle operator's license, motor vehicle certificate of registration, and license plates suspended by the department until they pay fees.</p> <p>License Reinstatement Fee: \$50</p> <p>Supply proof of financial responsibility: For 3 years</p> <p>Registering a motor vehicle without insurance is a Class IV misdemeanor.</p>					

Penalties for Driving Without Auto Insurance By State (as of 2015)

<p>Nevada</p>	<p>Operating a motor vehicle without insurance is a</p>	<p>Nevada Has Different Tiers for Length of Insurance Lap. Detailed Chart Available.</p> <p>Fine: \$600-\$1,000 depending on length of lapse.</p> <p>Suspension of Registration: Until payment of reinstatement fee and, depending on circumstances, SR-22.</p> <p>Reinstatement Fee: \$250</p> <p>SR-22 Proof of Financial Responsibility: If lapsed more than 90 days.</p>	<p>Fine: \$500-\$1,000</p> <p>Suspension of Registration: Until payment of reinstatement fee, and, depending on circumstances, SR-22.</p> <p>Reinstatement Fee: \$500</p> <p>SR-22 Proof of Financial Responsibility: If lapsed more than 90 days.</p>	<p>Fine: \$500-\$1,000</p> <p>Suspension of Registration: Until payment of reinstatement fee and, depending on circumstances, SR-22.</p> <p>Reinstatement Fee: \$750</p> <p>SR-22 Proof of Financial Responsibility: If lapsed more than 90 days.</p> <p>Suspension of License: Minimum 30 days.</p>	<p>12.2%</p>	<p>Nevada Revised Statutes 2011 (may not reflect changes made in 2011 so DMV used as a source)</p> <p>NRS 482.557 Failure to provide insurance: Administrative fines; requirements for filing and maintaining with Department certificate of financial responsibility; suspension of driver's license of registered owner.</p> <p>NRS 485.317 Department to verify insurance for each motor vehicle registered in this State; owner to respond to inquiry when Department unable to verify insurance; suspension of registration when insurance cannot be verified; reinstatement of registration.</p> <p>Insurance Information Institute Update (October 2015)</p>					
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<p>New Hampshire</p>	<p>New Hampshire has no mandatory insurance law.</p>	<p>9.3%</p>	<p>Insurance Information Institute Update (October 2015)</p>	
<p>New Jersey</p>	<p>Fine: \$300-\$1,000 plus community service. (PCI) Suspension of License: 1 year, can be reduced or eliminated if person has satisfactory proof of motor vehicle liability insurance at the time of the hearing. Community Service: Length to be determined by the court.</p>	<p>Fine: Up to \$5,000, 30 days community service. Imprisonment: Subject to imprisonment for a term of 14 days. Suspension of License: 2 years. Therefore, application for a license may be granted at the discretion of the director. Community Service: Ordered by the court to perform community service for a period of 30 days.</p>	<p>10.3%</p>	<p>39:6B-2. Penalties. PCI Compulsary Insurance - Automobiles Insurance Information Institute Update (October 2015)</p>
<p>New Mexico</p>	<p>Fine: Misdemeanor, a fine of not more than \$300 Imprisonment: Or by imprisonment for not more than 90 days or both a fine and imprisonment. Suspension of Registration: Presumably until insurance shown through 66-5-206 does not say.</p>	<p>Notes: If insurance is canceled then drivers are required to hand in license and registration. Not doing so has a separate set of penalties than those for the Misdemeanor listed in the column to the left. 66-5-230. Surrender of license and registration. Fine: Shall be fined not more than \$1,000 Imprisoned: Or imprisoned not to exceed 6 months or both.</p>	<p>21.6%</p>	<p>66-5-205 Vehicle must be insured or owner must have evidence of financial responsibility; penalties. 66-8-7 Penalty for misdemeanor. 66-5-206. Registration without insurance or evidence of financial responsibility prohibited; suspension required. New Mexico DMV.</p>

Penalties for Driving Without Auto Insurance By State (as of 2015)

New York	<p>Fine: \$150-\$1,500</p> <p>Civil Penalty upon Conviction: \$750</p> <p>Imprisonment: Or may be imprisoned for not more than 15 days or both fined and imprisoned.</p> <p>Suspension of License: If without insurance for 90 days, shall suspend the driver's license of any such registrant; suspension lasts as long as registration suspension.</p> <p>Suspension of Registration: Equal to time without insurance or pays \$8 for each day up to thirty days for which financial security was not in effect, \$10 for each day from the thirty-first to the sixtieth day \$12</p>			5.3%	<p>Insurance Information Institute Update (October 2015)</p> <p>Title 3 Article 6 § 319. Penalties.</p> <p>Title 3 Article 6 § 318. Revocation of registrations, drivers' licenses and non-resident privileges.</p> <p>New York DMV.</p> <p>Insurance Information Institute Update (October 2015)</p>	
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	<p>for each day from the sixty-first to the ninetieth day and proof of security is provided. Or for the same time as the vehicle was operated within insurance.</p>			9.1%	<p>Article 13 § 20-311. Action by the Division when notified of a lapse in financial responsibility.</p>	
<p>North Carolina</p>	<p>Fine: \$50 Probation: Class 1 misdemeanor allows 1-45 days. Suspension of Registration: 30 days (for knowingly operating) Restoration fee: \$50</p>	<p>Second Violation within 3 years Fine: \$100 (criminal fines for Class 1 Misdemeanor are at discretion of the court) Imprisonment or Probation: Class 1 misdemeanor allows 1-45 days of probation or imprisonment. Suspension of Registration: 30 days (for knowingly operating) must obtain financial responsibility and pay. Restoration fee: \$50</p>			<p>§ 20-313. Operation of motor vehicle without financial responsibility a misdemeanor. § 15A-1340.23. Punishment limits for each class of offense and prior conviction level. Insurance Information Institute Update (October 2015)</p>	
<p>North Dakota</p>	<p>Fine: Infraction, but sentence must include a fine. At least \$150 (Maximum fine for infraction is \$1,000) Suspension of License/proof of insurance. Must</p>	<p>Second or Subsequent Violation Fine: At least \$300-\$5,000 (if within 1 year of a conviction for an infraction may be sentenced as though Class B Misdemeanor. Imprisonment: Or 30 days or both.</p>	<p>Note: For the subsequent offense the higher criminal maximum fine and imprisonment is only on the table if the last conviction was within one year.</p>	5.9%	<p>39-08-20 Driving without liability insurance prohibited – Penalty. 12.1-32-01. Classification of offenses – Penalties.</p>	

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	<p>provide proof of insurance or license will be suspended until such proof is furnished. Proof must be provided for 1 year. (Effective 8/1/2015, PCI)</p> <p>Changes to License: License with a notation requiring that person to keep proof of liability insurance on file with the department. The fee for this license is \$50 and the fee to remove this notation is \$50.</p>	<p>Suspension of License/Proof of Insurance: Registration is revoked or suspended until proof of security is provided. Must provide proof of insurance or license will be suspended until such proof is furnished. Proof must be provided for 1 year. (Effective 8/1/2015, PCI)</p> <p>Changes to License: license with a notation requiring that person to keep proof of liability insurance on file with the department. The fee for this license is \$50 and the fee to remove this notation is \$50.</p> <p>Removal of Plates: The motor vehicle number plates of the motor vehicle owned and operated by the person at the time of the violation to be impounded until that person provides proof of insurance and a \$20 fee to the court.</p>			<p><u>PCI Compulsary Insurance - Automobiles</u> <u>Insurance Information Institute Update (October 2015)</u></p>	
Ohio	<p>Suspension of License: Suspension (Class F) and impoundment of license until requirements are met.</p> <p>Suspension of Registration and Impoundment of Plates: Until pays, Reinstatement Fee: of \$300, compliance fee</p>	<p>Within five years of a previous violation</p> <p>Suspension of License: 1 year. The court may grant limited driving privileges to the person but no court may grant limited driving privileges for the first 15 days of the suspension.</p> <p>Suspension of Registration and Impoundment of Plates: Impoundment of license and Class C suspension of license for one year (see 4510.02(B)(3)).</p>	<p>Within five years of a previous violation</p> <p>Suspension of License: (Class B Suspension) 2 years. The court may grant limited driving privileges to the person but no court may grant limited driving privileges for the first 30 days of the suspension.</p> <p>Suspension of Registration and</p>	13.5%	<p><u>4509.101 Operating of motor vehicle without proof of financial responsibility.</u> <u>4510.02(B)(3)</u> <u>Ohio Insurance Pamphlet.</u> <u>Random Selection program</u></p>	

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	<p>not to exceed \$50, files and continuously maintains proof of financial responsibility, registrar service fee of \$10.</p>		<p>Impoundment of Plates: Until pays, Reinstatement Fee: of \$600 for third or subsequent violation, compliance fee not to exceed \$50, files and continuously maintains proof of financial responsibility, registrar service fee of \$10.</p>	25.9%	<p><u>Insurance Information Institute Update (October 2015)</u></p> <p><u>\$47-7-606. Failure to maintain insurance or security - Penalties</u></p> <p><u>NB: Law passed in November that will begin being enforced in January will allow officers to take plates and assign temporary insurance rather than towing.</u></p> <p><u>Insurance Information Institute Update (October 2015)</u></p>	
<p>Oklahoma</p>	<p>Fine: Misdemeanor, of not more than \$250</p> <p>Imprisonment: for not more than 30 days, or by both such fine and imprisonment, addition thereto</p> <p>Suspension of License: Until proof of security is furnished and a total of up to \$275 in fees are paid under §47-6-212.</p> <p>Impoundment: the law enforcement officer issuing the citation may seize the vehicle being operated by the person and cause the vehicle to be towed and stored as provided by</p>					

Penalties for Driving Without Auto Insurance By State (as of 2015)

	<p>subsection B of Section 955 of this title.</p>			<p>9.0%</p>	<p><u>806.010 Driving uninsured prohibited</u></p> <p><u>Violation of 806.010 is a Class B Traffic Violation. Penalties listed at:</u></p> <p><u>153.021 Minimum Fines</u></p> <p><u>153.018 Maximum Fines</u></p> <p><u>153.019 Presumptive Fines</u></p>	
<p>Oregon</p>	<p>Fines: \$130-\$1,000 (\$260 is the presumptive that can be paid without an appearance unless court requires).</p> <p>Proof of Financial responsibility: Proof required for 3 years.</p> <p>Suspension of License and/or registration revocation is also possible.</p> <p>False certification of financial responsibility is a Class A misdemeanor. (PCI)</p>				<p><u>806.010 Driving uninsured prohibited</u></p> <p><u>Violation of 806.010 is a Class B Traffic Violation. Penalties listed at:</u></p> <p><u>153.021 Minimum Fines</u></p> <p><u>153.018 Maximum Fines</u></p> <p><u>153.019 Presumptive Fines</u></p> <p><u>PCI Compulsary Insurance - Automobiles</u></p> <p><u>Insurance Information Institute Update (October 2015)</u></p>	
<p>Pennsylvania a</p>	<p>Fine: \$300</p> <p>Suspension of License and Registration: 3 months and will not be restored until; Restoration Fee: \$50 (For Each) and proof of financial responsibility is furnished.</p>			<p>6.5%</p>	<p><u>PA DOT Title 75 § 1786. Required financial responsibility.</u></p> <p><u>\$ 1960. Reinstatement of operating privilege or vehicle registration.</u></p>	



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	<p>In lieu of suspension pay \$500 fine and restoration fee in 12-month period (effective 1/1/15). (PCI).</p>				<p><u>PCI Compulsary Insurance - Automobiles</u> <u>Insurance Information Institute Update (October 2015)</u></p>
Rhode Island	<p>Fine: May be fined \$100-\$500</p> <p>Suspension of License: Suspension of up to 3 months. To reinstate, must file and maintain proof of financial security and pay reinstatement fee of \$30-\$50.</p>	<p>Fine: May be fined \$500</p> <p>Suspension of License: Suspension of 6 months. To reinstate, must file and maintain proof of financial security and pay reinstatement fee of \$30-\$50.</p> <p>Suspension of Registration: Suspension of 6 months. To reinstate, must file and maintain proof of financial security and pay reinstatement fee of \$30-\$50.</p>	<p>And subsequent offenses:</p> <p>Fine: Not less than \$500 or more than \$3,000. (PCI)</p> <p>Suspension of License: Suspension of up to 12 months. To reinstate, must file and maintain proof of financial security and pay reinstatement fee of \$30-\$50.</p> <p>Suspension of Registration: Suspension of up to 12 months. To reinstate, must file and maintain proof of financial security and pay reinstatement fee of \$30-\$50.</p>	17.0%	<p>\$ 31-47-9 Penalties</p> <p>\$ 31-47-8 Revocation of registrations – Drivers' licenses and nonresident privileges.</p> <p><u>PCI Compulsary Insurance - Automobiles</u> <u>Insurance Information Institute Update (October 2015)</u></p>
South Carolina	<p>Fine: At least \$100 but not more than \$200, or up to 30 days in jail.</p> <p>Listed as a Misdemeanor but without the fines and jail time of</p>	<p>Second offense within five years</p> <p>Fine: \$200 or 30 days in jail, or both.</p>	<p>Third or subsequent offense within five years</p> <p>Imprisonment: Jail for at least 45 days, but not more than six months. (PCI)</p>	7.7%	<p><u>SECTION 56-10-520.</u> Operating or permitting operation of motor vehicle without first paying uninsured motor vehicle fee; misdemeanor violation; record of</p>



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	<p>an operator but not an owner – that is separate penalties.</p> <p>Suspension of License and Registration: until such person pays the fee applicable to the registration of an uninsured motor vehicle (\$550) and furnishes proof of future financial responsibility.</p>		<p>False Statement: Making false statement as to insurance will also result in revocation of driver's license and denial of registration for six months.</p>		<p>conviction for violations of this section: suspension of license, registration certificates and license plates</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
<p>South Dakota</p>	<p>Violation of 32-35-113 is a class 2 misdemeanor</p> <p>Fine: Failure to maintain financial responsibility: Class 2 Misdemeanor. Providing false evidence of financial responsibility is a Class 1 Misdemeanor. (PCI) Up to \$500</p> <p>Suspension of License: 30 days to 1 year. Renewed only upon proof of financial responsibility. Payment of \$50</p>			<p>7.8%</p>	<p><u>22-6-2. Misdemeanor classes and penalties.</u></p> <p><u>32-35-113. Maintenance of financial responsibility – Violation as misdemeanor.</u></p> <p><u>32-35-121. Suspension of license as penalty for violation of 32-35-113 or 32-35-120.</u></p> <p><u>32-35-44. Suspension or revocation of license.</u></p> <p><u>32-35-43.1. Renewal of privileges only upon proof of financial responsibility for future.</u></p>	

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<p>reinstatement fee. 32-35-47.1</p> <p>Suspension of Registration: 32-35-47 requires proof of future financial responsibility before registration is reinstated.</p>				<p>32-35-47. Duration of suspension-Future proof of financial responsibility.</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	
<p>Tennessee</p> <p>Fine: Class C misdemeanor, up to \$300; Class A misdemeanor for providing invalid proof of responsibility; Class A misdemeanor if not in compliance with FR laws and involved in accident resulting in bodily injury or death and such person was at fault for the accident; penalties for lack of insurance are secondary.</p> <p>Suspension of License: Until they provide proof of financial responsibility for 3 years and pay a \$100 (55-12-114) restoration fee</p>			<p>20.1%</p>	<p>55-12-139. Compliance with financial responsibility law required - Evidence of compliance - Issuance of citations by police service technicians.</p> <p>55-12-126. Minimum duration of proof requirement - Suspension of license or registration for premature cancellation or termination of proof - Hearing - Restoration of license or registration.</p> <p>PCI Compulsary Insurance - Automobiles</p> <p>Insurance Information Institute Update (October 2015)</p>	

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	<p>and pass the driver license examination as a condition precedent to the restoration of the license.</p> <p>Suspension of Registration: Until they meet requirements to regain license and payment of appropriate fees.</p> <p>Electronic insurance verification system must be ready for implementation by January 1, 2017 (decided May 20, 2015).</p>			13.3%	<p>Sec. 601.191. Operation of motor vehicle in violation of motor vehicle liability insurance requirement, offense.</p> <p>Sec. 601.231. Suspension of driver's license and vehicle registration.</p> <p>Sec. 601.261. Impoundment of motor vehicle.</p> <p>Sec. 601.263. Cost for impoundment.</p>	
Texas	<p>Fine: Misdemeanor, \$175-\$350. Punishable by a fine of not less than \$175 or more than \$350. (PC) If the court determines that a person is economically unable to pay the fine, the court may reduce the fine to less than \$175. \$250 surcharge for three years.</p>	<p>If previously convicted</p> <p>Fine: \$350-\$1,000. \$250 surcharge for three years. Suspension of License and Registration: suspend the driver's license and vehicle registrations of the person unless the person files and maintains evidence of financial responsibility with the department until the second anniversary of the date of the subsequent conviction.</p> <p>Impoundment: For 180 days and cannot apply for release of car without evidence of financial</p>				

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	<p>responsibility. Impoundment free of \$15 a day.</p>			<p>Sec. 708.103. Surcharge for conviction of driving while license invalid or without financial responsibility. PCL Compulsary Insurance - Automobiles Insurance Information Institute Update (October 2015)</p>	
Utah	<p>Fine: not less than \$400. A court may waive up to \$300 of the fine charged to the owner of a motor vehicle under Subsection (1)(a)(i) if the owner demonstrates that owner's or operator's security required under Section 41-12a-301 was obtained subsequent to the violation but before sentencing.</p> <p>Suspension of License and Registration: the owner may, unless otherwise prohibited by law, apply for a new registration, by providing proof of</p>	<p>Second or Subsequent within three years Fine: Not less than \$1,000. A court may waive up to \$300 of the fine charged to the owner of a motor vehicle under Subsection (1)(a)(i) if the owner demonstrates that owner's or operator's security required under Section 41-12a-301 was obtained subsequent to the violation but before sentencing.</p> <p>Suspension of License and Registration: the owner may, unless otherwise prohibited by law, apply for a new registration, by providing proof of owner's security for three years. \$100 reinstatement fee (MVD website)</p>	5.8%	<p>41-12a-302. Operating motor vehicle without owner's or operator's security – Penalty. 41-12a-303.2. Evidence of owner's or operator's security to be carried when operating motor vehicle – Defense – Penalties. 41-12a-604. Suspension of license. 41-1a-110. Authority of division to suspend or revoke registration, certificate of title, license plate, or permit. Utah DMV.</p>	

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	<p>owner's security for three years. \$100 reinstatement fee (MVD website).</p> <p>Proof: If a vehicle appears on the Uninsured Motor Vehicle Database, the vehicle's registration may be revoked until proof of security is filed. It is a Class C misdemeanor, punishable by a fine of not less than \$100 to sell a vehicle to avoid penalties. Giving false evidence is a Class B misdemeanor.</p>			8.5%	<p><u>PCI Compulsary Insurance - Automobiles</u></p> <p><u>Insurance Information Institute Update (October 2015)</u></p>	
Vermont	<p>Fine: Not more than \$500. (PCI)</p> <p>Suspension of License: Until proof of financial responsibility is furnished.</p>			8.5%	<p><u>\$ 800. Maintenance of financial responsibility.</u></p> <p><u>\$ 802. Suspension of license.</u></p> <p><u>Vermont DMV.</u></p> <p><u>PCI Compulsary Insurance - Automobiles</u></p> <p><u>Insurance Information Institute Update (October 2015)</u></p>	
Virginia	<p>Offense operating</p>			10.1%	<p><u>\$ 46-2-707. (Effective until January 1, 2014)</u></p>	

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	<p>uninsured and failure to pay uninsured motor vehicle fee – class 3 Misdemeanor.</p> <p>Fine: of not more than \$500. Failure to pay uninsured motorist fee on an uninsured vehicle is a Class 3 misdemeanor. (PCI)</p> <p>Suspension of License, Suspension of registration, Surrender Plates: until such person pays the fee applicable to the registration of an uninsured motor vehicle (\$500) and furnishes proof of future financial responsibility for 3 years.</p> <p>False Proof: False evidence of insurance is a Class 3 Misdemeanor.</p>				<p>(PENALTIES ARE NOT CHANGING) Operating uninsured motor vehicle without payment of fee; verification of insurance; false evidence of insurance.</p> <p><u>§ 46-2-706. Additional fee; proof of insurance required of applicants for registration of insured motor vehicles; verification of insurance;</u> suspension of driver's license, registration certificates, and license plates for certain violations.</p> <p><u>§ 18-2-11.</u> Punishment for conviction of misdemeanor. Virginia DMV.</p> <p><u>PCI Compulsary Insurance - Automobiles</u></p> <p>Insurance Information Institute Update (October 2015)</p>	
Washington	<p>Fine: Traffic Infraction. Fine of not more than \$250 or community</p>			16.1%	RCW 46.30.020 Liability insurance or other financial responsibility required	

Penalties for Driving Without Auto Insurance By State (as of 2015)

	<p>restitution. Knowingly providing false evidence of security is a misdemeanor. (PCI)</p>			8.4%	<p>- Violations - Exceptions. RCW 46.63.110 Monetary penalties. Washington State Pamphlet Washington State Courts Schedule of Infractions PCI Compulsary Insurance - Automobiles</p>	
West Virginia	<p>Fine: \$200-\$5,000 Imprisonment: Or confined in the county or regional jail not less than 15 days nor more than 1 year, or both. License and Registration Suspended: Suspend the driver's license for 30 days and vehicle registration until such time as he or she presents current proof of insurance on all currently registered vehicles. Provided, that if</p>	<p>Second Offense Within 5 years Fine: \$200-\$5,000 Imprisonment: Or confined in the county or regional jail not less than 15 days nor more than 1 year, or both. License and Registration Suspended: For the third or subsequent offense within five years, the commissioner shall suspend the owner's driver's license for a period of 90 days and revoke the vehicle registration until such time as he or she presents current proof of insurance. Fees: \$100 for registration (additional \$50 is police have to retrieve plates) and \$50 license reinstatement.</p>	<p>Third Offense Within 5 years Fine: \$200-\$5,000 Imprisonment: Or confined in the county or regional jail not less than 15 days nor more than 1 year, or both. License and Registration Suspended: For the third or subsequent offense within five years, the commissioner shall suspend the owner's driver's license for a period of 90 days and revoke the vehicle registration until such time as he or she presents current proof of insurance.</p>	8.4%	<p>West Virginia DMV Consumer Insurance Information CHAPTER 17D. Motor vehicle safety responsibility law. Article 2a. Security upon motor vehicles. PCI Compulsary Insurance - Automobiles</p>	



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Penalties for Driving Without Auto Insurance By State (as of 2015)



Wisconsin	<p>an owner complies with the provisions of this subdivision, and pays a penalty fee of \$200 before the effective date, the driver's license suspension of 30 days shall not be imposed and the vehicle registration revocation shall be not imposed and no reinstatement fees are required.</p> <p>Fees: \$100 for registration (additional \$50 if police have to retrieve plates) and \$50 license reinstatement.</p> <p>False Information: Providing false information, false proof of security, or false statement of insurance is a misdemeanor, punishable by a fine of not more than \$1,000 and/or up to one year in jail. (PCI)</p> <p>Fine: Not more than \$5000</p>		<p>Fees: \$100 for registration (additional \$50 is police have to retrieve plates) and \$50 license reinstatement.</p>	11.7%	<p>Wisconsin Statutes 344.65 Violations</p>	
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Penalties for Driving Without Auto Insurance By State (as of 2015)



	<p>Imprisoned: Not more than 6 months or both.</p> <p>Required</p>			<p>Article on 2010 Law Requiring Insurance in Wisconsin</p>	
Wyoming	<p>Fine: Misdemeanor. Fine of \$250-\$750 and up to 6 months in jail. (PCI)</p> <p>Imprisoned: No More than 6 months, or both.</p> <p>Required to Maintain Proof of Financial Responsibility for 3 years</p> <p>False Certification: A misdemeanor punishable by imprisonment for not more than 6 months and/or a maximum \$750 fine.</p>	<p>Second or Subsequent Violation</p> <p>Fine: Not less than \$500 or more than \$1,500.</p> <p>Imprisoned: No More than 6 months or both.</p> <p>Suspension of Registration and Impoundment of Plates: <u>Until judge orders reinstatement.</u></p> <p>Required to Maintain Proof of Financial Responsibility for 3 years</p>	8.7%	<p><u>PCI Compulsary Insurance - Automobiles</u></p>	

Penalties for Driving without Auto Insurance by State as of January 2014
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Methodology:

- All of the penalties listed are for driving without the minimum mandatory liability insurance required by a state or for a similar violation where driving without insurance is not specifically a violation. There are other related but distinct violations, penalties and issues that were not examined, including:
- Not having proof of insurance during a traffic stop.
 - Operating but not owning a vehicle without the required liability insurance.
 - The listed penalties are often applicable only after a conviction.
 - Penalties if an uninsured driver was in an accident—those penalties are often more severe.

Penalties for Driving Without Auto Insurance By State (as of 2015)

- Fraudulent use of an insurance card.
- Whether or how many points are placed on a license for a violation of minimal insurance laws—Missouri and Montana, for instance, both assess points.
- Where penalties were mitigated by getting insurance immediately.
- The above analysis stops at the penalty for driving without insurance and does not list other penalties that might be imposed for violations related to driving without insurance. In North Dakota, for instance, a second or subsequent offense means that a violator has to turn their plates in. If the violator did not turn in their plates it is a Class B Misdemeanor. The punishment for not turning the plates in is not listed.
- Where reinstatement fees were listed as part of the penalty statute they are noted. But there may be additional fees not covered by this chart. (Credit: Consumer Federation of America)

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