



Southwestern Insurance Information Service

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Insurance News

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Author: Don Mecoy

SIIS Office: (512) 795-8214

SIIS Cell: (512) 965-4001 Jerry
(512) 468-6965 Sandra

One in four Oklahomans drives uninsured Study shows state ranks poorly for auto coverage

Oklahoma remains home to one of the nation's largest populations of uninsured motorists, and the troubled economy may boost those numbers, a recent study suggests.

About one in four Oklahoma motorists (24 percent) was uninsured in 2007, the fourth-worst rate in the nation, according to a study by the Insurance Research Council. Oklahoma showed the greatest increase since the insurance industry group's last survey issued in 2003. At that time, the council reported about 15 percent of Oklahoma motorists failed to carry insurance.

Downturn drives rate Nationwide, about one in six drivers may be driving uninsured by 2010, according to the study. Although the estimated percentage of uninsured motorists decreased nationally from 14.9 percent in 2003 to 13.8 percent in 2007, the recent economic downturn is expected to trigger a sharp rise in the uninsured motorist rate.

The report found a correlation between the rates of uninsured motorists and unemployment. An increase in the unemployment rate of 1 percent is associated with a three-quarter point jump in the rate of uninsured motorists. Based on current unemployment rate projections, the percentage of uninsured motorists nationwide is expected to rise from 13.8 percent in 2007 to 16.1 percent in 2010.

David Corum, Insurance Research Council vice president, said the numbers were based on each state's ratio of claims on uninsured motorist coverage, a policy that pays when motorists are injured in an accident with an uninsured driver, to claims on bodily injury, which are filed against the driver of a vehicle that causes an accident.

"The presumption is that the ratio is an approximation of the percent of vehicles out there that are uninsured," Corum said.

Corum said it's not clear why some states, such as Oklahoma, have such high rates of uninsured motorists in comparison to others. The states with the lowest rate of uninsured motorists — Massachusetts, Maine, North Dakota and New York — all have rates of 5 percent or less.

For Additional Information:

8303 N Mopac, Ste B-231
Austin, TX 78759

Phone: (512) 795-8214
Fax: (512) 795-9363



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Enforcement is key

Jerry Johns, of Southwestern Insurance Information Services, said enforcement is the key to reducing the number of uninsured motorists.

A state law passed in 2006 that took effect Jan. 1 allows law enforcement agencies and tag agents to check for up-to-date automobile insurance electronically through a database maintained by the Department of Public Safety. The system is in place, but authorities aren't relying on the information because it is accurate only 60 percent of the time, Oklahoma Tax Commission officials said.

Texas launched a similar verification system several years ago, and has worked out most of its early problems, Johns said. Texas authorities are "aggressively enforcing" its uninsured motorist law, he said.

"Some communities have even started towing the vehicles of uninsured motorists involved in a traffic accident or stopped for traffic violation," Johns said. "That has really gotten a lot of people's attention."

Elizabeth A. Sprinkel, senior vice president of the Insurance Research Council, said the costs associated with uninsured motorists are borne by those who are following the law.

"Responsible drivers who purchase insurance end up paying for injuries caused by uninsured drivers," Sprinkel said.

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