



Bill Richardson
Governor
Rick Homans
Secretary

STATE OF NEW MEXICO
Taxation and Revenue Department

An Equal Opportunity Employer

Motor Vehicle Division

1100 S. St. Francis Dr.
Santa Fe NM 87505-4147

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CONTACT: DAVID HARWELL (505)827-0313

**STATE CREDITS "DRIVE INSURED" PROGRAM WITH LOWERING
NUMBER OF UNINSURED VEHICLES**

Officials dispute recent report by the Industry Research Council, an insurance industry trade group.

SANTA FE -- State officials dispute a new study that places New Mexico with the highest rate of uninsured drivers in the country. The study, released recently by the Insurance Research Council, suggested that 29 percent of New Mexico's driver's are uninsured. Ken Ortiz, director of the state's Motor Vehicle Division, says the state tracks uninsured vehicles, and that rate is 9.7 percent.

Ortiz in 2003 set up the state's mandatory "Drive Insured" program as a result of the New Mexico Mandatory Financial Responsibility Act. The program has been credited with reducing the state's uninsured drivers through its ongoing monitoring and enforcement. The state contracts with a private company to maintain a complete list of registered vehicles to a database, updated monthly, from every insurance company doing business in New Mexico. Since there is no reliable estimate of unregistered vehicles, these are not included in the statistic. "Our number, 9.7 percent, is the actual percentage of registered vehicles that are uninsured," said Ortiz. "While it's not perfect, it's the most precise and accurate way to gauge the number of uninsured vehicles in New Mexico."

The Insurance Research Council, meanwhile, said in its press release that it measures the uninsured driver population by "using a ratio of insurance claims made by individuals who were injured by uninsured drivers to claims made by individuals who were injured by insured drivers." The Council said it uses data from nine insurance companies "representing 50 percent of the private passenger auto insurance market in the United States" compared to the 600 insurance companies that report to the New Mexico MVD.

New Mexico Superintendent of Insurance Morris Chavez remarked: "In my opinion, the numbers released by the IRC appear misleading and do not reflect the data

Divisions
Office of the Secretary
(505) 827-0341
Administrative Services
(505) 827-0369
Audit and Compliance
(505) 827-0900
Motor Vehicle Division
(505) 827-2296
Property Tax
(505) 827-0870
Revenue Processing
(505) 827-0800
Tax Fraud Investigations
(505) 841-6544

looked at by the Insurance Division. We have worked closely with MVD and believe that the true percentages of uninsured vehicles exists very close to the numbers tracked by MVD.”

A report from the American Association of Motor Vehicle Administrators regarding how to measure the rate of uninsured motor vehicles, said measuring crash statistics “may not be quite as accurate as the database method...” which is used by New Mexico. Other reports state that uninsured drivers are many times more likely to be involved in an accident which could further skew the Insurance Research Council statistics. In other words, the Insurance Research Council reporting an uninsured rate in New Mexico that is three times the actual rate could simply reflect uninsured drivers being three times more likely to be involved in an accident than insured motorists.

Other states that track uninsured drivers through electronic databases are reporting lower numbers of uninsured vehicles than the industry report, Ortiz said. For example, in Illinois the Industry Research Council calculated an uninsured vehicle rate of 15%, while the Illinois Mandatory Insurance Division says that in reality only 4.8% of vehicles there lack insurance. In addition, Utah reports 4% uninsured vehicles, but the report puts uninsured motorists at 8%. Colorado reports 10% uninsured vehicles, but the report puts uninsured motorists at 15%. And California reports 14% uninsured vehicles, but the report puts the uninsured motorists at 18%.

The State of New Mexico implemented its “Drive Insured” program in 2003. The program identifies vehicle owners who don’t have insurance, notifies them by letter, and then suspends registration for those vehicle owners who fail to purchase insurance. MVD records show that 398,000 vehicles, 25.5% of the registered vehicles, were uninsured in 2003. Because of the “Drive Insured” program, that percentage dropped to 16.6% in 2004, 14.4% in 2005, 13.4% in 2006, 11.6% in 2007, 10.2% in 2008, and 9.7% in 2009. Ortiz said the MVD suspends about 112,000 registrations each year – and about 17,000 vehicle owners in 2008 paid the \$25 required by law to reinstate the registration.

The Governor is supporting legislation this year, HB29 sponsored by Representative Bill Rehm (R-Bernalillo), to increase the reinstatement penalty to \$100 as an effort to crack down even further on uninsured drivers.

