

(b) The license has been suspended for failure of an uninsured motorist to indemnify against or satisfy a claim arising from his operation of a motor vehicle.

The 1954 law represented a sound step forward in protection of the general public against drivers of demonstrated irresponsibility. House Bill 62 of the 1958 session would free such drivers, after a five-year period, from any obligation to carry liability insurance in order to operate a motor vehicle. Its sponsors contend that excessive charges for this form of compulsory insurance constitute an unreasonable hardship and burden on many motorists.

My investigation discloses that an automobile driver whose license is suspended for non-payment of a claim, but whose driving record is otherwise similar to that of the average motor vehicle operator can obtain the necessary insurance coverage from reputable companies for a surcharge ranging from five to ten per cent. A different situation is presented as to motorists whose licenses have been mandatorily revoked or suspended for serious criminal violations. This group of drivers, in general, is obviously a very poor insurance risk. A fire insurance company would probably deny coverage to a convicted arsonist, and one should expect a similar attitude by automobile insurance companies toward drunken or hit-and-run drivers. Only a relatively few companies will issue liability insurance for such risks. Their premium charges, of necessity, are excessively high as compared to the premium charges for normal drivers.

In my opinion, House Bill 62 is not a proper solution for any problems of hardship or unfairness which may occasionally arise under the present law. The instant measure does not solve such situations, but merely reduces the alleged hardship period. The heavy premium charges to serious traffic offenders is based solely upon their own past driving actions. Elimination of the requirement for filing a certificate of insurance after five years will not assure such drivers of a premium reduction. It will merely mean that serious violators of the law are free to operate without insurance, which is probably what they would do. As has been noted, the uninsured motorist involved under the Financial Responsibility Laws enjoys more favorable treatment.

Before considering any reduction in the period for maintenance of insurance coverage, it would seem infinitely preferable that a thorough-going study be made of the rates charged various types of drivers who must furnish insurance. Consideration can be given to expanding and publicizing the existing Assigned Risk Plan. If any abuses are discovered which the Insurance Department is not fully empowered to regulate, such authority can be supplied.

The entire matter is a fit subject for study by the Legislative Council, which can fully investigate the entire factual background and determine whether a more desirable solution lies in stringent regulatory insurance controls and publicity concerning same. In my opinion, this is the only proper approach to any problem which may exist in this situation. I am therefore returning House Bill 62 without my approval.

Respectfully yours,

THEODORE R. MCKELDIN,

*Governor.*

TRMcK/TK

*Which was read and ordered journalized.*