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**SUBSTITUTE HOUSE BILL 2749**

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**State of Washington**

**54th Legislature**

**1996 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Clements, L. Thomas and Silver)

Read first time 02/02/96.

1 AN ACT Relating to vehicle liability insurance; and creating a new  
2 section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that there are  
5 significant numbers of motorists driving without the required vehicle  
6 liability insurance. The legislature also finds that this is a  
7 complicated issue. On one hand, the purpose of the mandatory vehicle  
8 liability insurance law is to ensure drivers are financially  
9 responsible; on the other hand, many of those who don't comply cannot  
10 afford the coverage, but still need to drive to work and other  
11 important destinations. In addition, many areas of the state do not  
12 have sufficient public transportation. The legislature intends to find  
13 ways to increase compliance with the mandatory vehicle insurance law  
14 through incentives and penalties.

15 (2) The senate financial institutions and housing committee and the  
16 house of representatives financial institutions and insurance committee  
17 shall conduct a joint interim study on the problem of uninsured drivers  
18 and shall recommend options to increase compliance with the mandatory  
19 vehicle liability insurance requirements through incentives like those

1 in House Bill No. 2749 or additional penalties like those in House Bill  
2 No. 2460. The study shall include an examination of the approaches  
3 taken by other states. The study shall also include an analysis of  
4 the costs to the state or local governments in implementing any  
5 recommendations or alternatives. The joint interim study shall  
6 consult with the state patrol, local law enforcement officials, the  
7 department of licensing, the office of the insurance commissioner,  
8 other applicable state agencies, and the insurance industry. State  
9 agencies shall assist the committees in this joint study. The  
10 committees shall report their recommendations to the legislature by  
11 January 1, 1997.

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