



Chairman McColley, Vice Chairman Uecker and Ranking Member Antonio, my name is Carolyn Mangas and I am the government affairs manager for the Ohio Insurance Agents Association (OIA). I would like to offer testimony as an interested party on Substitute House Bill 62.

OIA is the collective voice of nearly 1,300 independent insurance agencies that employ more than 10,000 Ohioans. Our members write 82 percent of the commercial insurance policies and 44 percent of personal insurance policies in Ohio. It is OIA's job to promote, progress and protect the professional advice and guidance only independent agents provide. We help agents by providing agency valuation support, succession planning, advocacy initiatives, professional development, business solutions and industry thought leadership. We are committed to fighting the commoditization of insurance because we believe the right insurance matters.

Substitute H.B. 62 contains language to eliminate the Financial Responsibility Verification Program that is administered by the Ohio Bureau of Motor Vehicles. This program, which began in 1998, involves the mailing of approximately 280,000 letters per year to randomly selected Ohio drivers to check for their compliance with Ohio's automobile financial responsibility law. This program costs approximately \$550,000 per year or roughly \$46,000 per month.

Over the years several study committees have been created to examine the issue of ensuring Ohio's drivers are complying with the state's financial responsibility law. The last study committee was convened in 2013 to determine the feasibility of requiring insurance companies to report policy information to the Ohio Bureau of Motor Vehicles in order to enable the state to implement an electronic insurance verification program. The driving force behind the decision to look at alternative options to the paper-based random verification program was that the program can be burdensome and has not kept pace with technology. In fact, 96 percent of the drivers selected to provide proof of insurance are found to be properly insured, while many Ohioans who do not have insurance are never randomly selected and continue to drive.

The Financial Responsibility Study Committee Report issued in 2014 recommended REPLACING the BMV's random selection program – not simply eliminating it. The recommendation of the 12-member study committee (including the Ohio Department of Insurance, Ohio Department of Public Safety, the insurance industry, the courts, legislators and law enforcement) was to implement a verification system that uses recent advances in technology that will outperform the current random selection program. To date, an effort to do so has yet to get underway, yet more than half of the states have passed laws and begun to develop and implement online auto insurance verification systems to identify uninsured motorists.

While OIA understands the drive to eliminate a program that is not achieving its goal, we do have concerns about not replacing this program with a more robust auto insurance verification system that capitalizes on the technological advances that have become available in the last several years. Thus, we urge members of the Senate Transportation, Commerce and Workforce Committee to take this into consideration as they contemplate moving forward with this proposed policy change.