

February 14, 2023

Honorable Scott Wyatt
Chairman, House Transportation Subcommittee #2
Pocahontas Building, Room E303
900 E Main Street
Richmond, VA 23219

Via email

RE: Senate Bill 868 – Oppose

Dear Chairman Wyatt and Members of the Committee,

On behalf of the National Association of Mutual Insurance Companies¹ (NAMIC) I write to express our concerns with Senate Bill 868.

NAMIC consists of more than 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. The association supports local and regional mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

Senate Bill 868 is a seemingly straightforward bill that increases the number of days, after an alleged violation for passing a stopped school bus, in which a summons must be issued. However, Senate Bill 868 also includes very concerning provisions related to motor vehicle insurance. If passed, SB 868 would prohibit a violation of the prohibition on passing stopped school buses from becoming part of an individual's driving record or used for motor vehicle insurance coverage purposes.

Insurance is priced differently than virtually every other product available to consumers because unlike nearly all products and services, the actual cost of providing insurance is unknown at the time it is offered. In order to offer competitive policies, insurers use risk-based ratings to predict potential losses and charge accurate prices to policyholders. Through this practice, consumers who present lower risk pay less for their coverage. Ultimately, risk-based pricing allows insurers to offer customers competitive rates while remaining financially stable.

A driving record is considered when an individual applies for or renews an auto insurance policy because the more driving risk that has been demonstrated in the past, the more likely an individual is to experience an insured loss in the future. Underwriters are evaluating indicators of driving ability as well as trustworthiness and responsibility shown by a history of complying with the law.

¹ NAMIC member companies write \$357 billion in annual premiums and represent 69 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance markets. Through its advocacy programs NAMIC promotes public policy solutions that benefit member companies and the policyholders they serve and fosters greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.



According to the Virginia Department of Motor Vehicles Highway Safety Office, in 2021 there were 1,399 pedestrian and vehicle crashes, a 14-year high. Those crashes resulted in 1,325 injuries and 125 deaths. Of the injured pedestrians, 219 were children and three were while getting off or on a school bus².

I believe we all can agree it is one of our primary responsibilities to protect the most vulnerable members of society, children. A failure to stop for a school bus is not only a reckless act but poses a great and unnecessary danger to children safely getting to and from school. These actions should be included in an individual's driving record and considered for motor vehicle insurance.

For these reasons, NAMIC strongly urges the committee to, at a minimum, remove the insurance provisions from Senate Bill 868.

Thank you for considering our concerns with Senate Bill 868.

Sincerely,

Matthew Overturf, Regional Vice President
Ohio Valley/Mid-Atlantic Region

² 2021 Virginia Traffic Crash Facts, Department of Motor Vehicles, Highway Safety Office