

Insurance Times: NY uninsured motorist program criticized for snaring innocent drivers
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by Rik Stevens
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ALBANY, N.Y. — When Patricia Wolfe pulled off Interstate 481 to help her sister 10 days ago, she ended up with a ticket, a tow, a smashed car and no job.

She was caught in a complex system designed to weed out uninsured drivers that has left perhaps hundreds of thousands of legally insured New York drivers at risk of a ticket or worse.

An Oswego County sheriff's deputy checked Wolfe's license plate, and a computer readout from the state's Insurance Information and Enforcement System showed she had no insurance. Even though she produced an insurance card showing valid coverage, the deputy had the car towed. Adding injury to insult, her car rolled off the tow truck, across two lanes and hit a police cruiser.

Industry representatives say it could be this fall before all the bugs are worked out of the system.

"I'm angry that I lost my job and I'm angry that I lost my car, and not only did I lose it, my car is wrecked," said Wolfe, a 35-year-old mother of six who lives in Fulton, near Syracuse. "And it's not just us. We're hoping it doesn't happen to somebody else. Somebody's doing something wrong. Somebody needs to do something about DMV."

The state Department of Motor Vehicles and insurance industry representatives admit there are still gaps in the system implemented in June 2000.

"In some instances, we're finding data isn't getting here when it should or information conflicts," said Ernie Kitchen, director of consumer protection and auto business regulation for DMV.

DMV does not have an exact number of legally insured drivers who could get caught by an erroneous computer report because it hears about them only when a complaint is made.

But the number could be between 200,000 and 700,000, Kitchen said.

Of the roughly 10 million registered drivers in New York, about 2 million have yet to be reported to the DMV, he said. About 500,000 to 1 million — driving motorcycles, self-insured vehicles and some government cars, for example — are not required to register yet under IIES.

That leaves 1 million to 1.5 million drivers unreported, an estimated 800,000 of them without insurance.

Industry spokeswoman Ellen Kiehl said many of the reporting problems occur when drivers add a new vehicle to a policy or change companies but the company fails to notify DMV promptly.

"We know there have been difficulties," said Kiehl, assistant executive director of the Professional Insurance Agents Association, a trade group representing 18,000 agents statewide.

The measure's Assembly sponsor, Ivan Lafayette, D-Queens, said he still has faith in the system but said he had advised the DMV to make the switch more slowly, perhaps starting with one class of insured driver then moving on to others.

"I think they're trying to do too much too soon," Lafayette said

Kiehl said by fall, the reporting system should be caught up.

In Oswego County, the sheriff said deputies will enforce the law based on the information they get from the DMV computer.

"We certainly aren't out there looking to write tickets, especially if someone doesn't deserve one," said Sheriff Reuel Todd. "But by law, we have to take that car."

State Police Sgt. Glenn Miner said when that agency found out the reporting lapse was ongoing, it gave troopers more discretion when it comes to towing.

Kitchen said the DMV notified police agencies twice of the potential for errors.

Blair Horner, executive director of the New York Public Interest Research Group, said state agencies should be better prepared to properly implement a new law.

"This is a disgrace," he said. "It's an outrage, particularly when New Yorkers are facing the highest insurance premiums in the country."

DMV's Kitchen said the agency still has a "safety net," including notifications sent to the insurance company and the motorist before a suspension is registered.

Wolfe said neither she nor her insurance company was ever notified. And now, her car sits in an impound lot, costing

\$10 a day plus the \$75 in towing fees and the job she lost when she couldn't drive to work.
"I'm blaming DMV," she said.