KFH421.5 R45 A85 (61-2)

Protection Against the Financially

Irresponsible Motorist

Ву

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PROTECTION AGAINST THE FINANCIALLY IRRESPONSIBLE MOTORIST

by

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FEB 2 6 2009 Legislative reference dureau

Request No. 9616 December 1961 Tom Dinell, Acting Director Legislative Reference Bureau University of Hawaii Honolulu, Hawaii

TABLE OF CONTENTS

		Page
ı.	INTRODUCTION	1
II.	FINANCIAL RESPONSIBILITY LAWS	3
	Security	4 5 6
III.	UNSATISFIED JUDGMENT FUNDS	8
IV.	MANDATORY UNINSURED MOTORIST INSURANCE	10
v.	COMPULSORY AUTOMOBILE INSURANCE THE MASSACHUSETTS PLAN	12 14
	New fork and Moren Carolina	14
VI.	COMPULSORY AUTOMOBILE INSURANCE THE SASKATCHEWAN PLAN	16
VII.	THE MERITS OF COMPULSORY AUTOMOBILE INSURANCE	18
/III .	THE LIMITATIONS OF COMPULSORY AUTOMOBILE INSURANCE	19
	<u>Appendix</u>	
INSATI	SFIED JUDGMENT FUNDS IN THE UNITED STATES	22

I. INTRODUCTION

State legislatures for well over three decades have been concerned with finding means of minimizing and ameliorating the hardships caused by the financially irresponsible motorist.

Under the law of torts, the general rule is that a negligent party may be responsible for the consequences of his negligence. However, legal responsibility is meaningless if a negligent party is "judgment proof" or not financially responsible. Further, there is no recovery for damages resulting from negligence involving stolen vehicles and unapprehended hit-and-run drivers.

This report has been prepared in response to a legislative request for information on compulsory automobile insurance and related systems which are designed to provide some protection against the negligent party who is "judgment proof" or cannot be apprehended.

Two fundamentally different approaches or responses have developed since 1927 with respect to the varying conditions under which some proof of financial responsibility is required. The more universally accepted of these approaches does not require insurance or other acceptable proof of financial responsibility until after the individual has been involved in an accident. Such laws are called financial responsibility laws. Financial responsibility laws permit the financially irresponsible motorist to operate motor vehicles on the public thoroughfares until he is involved in an accident. Thus, such laws give the irresponsible one "free" accident before imposing insurance or its equivalent.

Recognizing that financial responsibility laws do not give complete protection against the hardships caused by the uninsured motorist, a few states have created unsatisfied judgment funds to which each motor vehicle registrant contributes, and from which payments are made to those suffering injury at the hands of a financially irresponsible party. With similar intent several other states have required that uninsured motorist coverage be included in any bodily injury and property damage insurance package sold. Thus, in such jurisdictions any insured motorist is protected also against bodily injury caused by the financially irresponsible.

A basically different approach to this problem is compulsory automobile insurance. Compulsory automobile insurance laws require the insuring of a vehicle prior to its registration or licensing. Two systems of compulsory automobile insurance are presently in effect. The compulsory insurance system found in the United States is one in which the motorist purchases insurance from a commercial carrier licensed to engage in business in the particular jurisdiction. The second compulsory automobile insurance system is the government insurance program operated by the Province of Saskatchewan. In addition to being the only government automobile insurance program in North America, the Saskatchewan plan is in one other respect unique: it rejects the doctrine of no liability without fault.

II. FINANCIAL RESPONSIBILITY LAWS

There are presently in force in all states, the District of Columbia and all provinces of Canada laws relating to automobile financial responsibility. These laws are aimed at keeping reckless and financially irresponsible drivers off the highways.

In general, the basic elements of financial responsibility laws are provisions relating to accidents, to conviction for certain offenses and to judgments arising out of automobile accidents.

Forty-seven states, six Canadian provinces and the District of Columbia now have laws which generally provide: 2

1. That any person involved in any manner in an automobile accident which causes bodily injury or property damage

lnformation on financial responsibility laws is taken from the <u>Fidelity</u>, <u>Casualty and Surety Bulletins</u>, pp. Frl-1 to Frl-5 (Cincinnati).

²Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Nova Scotia. The Colorado law was held to be unconstitutional and, hence, void in People vs. Nothaus, 363 Pac. (2nd.) 180. This case was decided in July, 1961. However, it is understood that legislation is being drafted in Colorado for a type of financial responsibility law that would satisfy constitutional requirements.

- will have his driver's license and automobile registration³ suspended unless he can prove that he is able to pay any judgment which may result from that accident within statutory liability limits;
- 2. That following conviction for certain offenses--reckless driving, failure to stop after an accident, driving while under the influence of narcotics or while intoxicated, operating an automobile without the owner's permission, passing a streetcar loading or unloading passengers, disregarding traffic signals, etc.--the driver's license and automobile registrations be suspended until proof of financial responsibility for future accidents is filed;
- 3. That until any judgment against him in any state or Canadian province arising out of an automobile accident is paid, the license and registrations of the judgment debtor be suspended.

A distinction may be drawn between the meaning of security following an accident and proof of financial responsibility.

Security relates to the instant accident, proof to future accidents.

Security

When an accident has occurred which comes within the scope of responsibility laws the "security-type" law requires that

³The laws of Hawaii, North Dakota, South Dakota, Vermont and Washington refer to driving licenses only. In California and Utah the owner is subject to the law only if he is the employer of the driver.

the drivers and owners involved post security in a sum sufficient to satisfy possible resulting judgments.

In most states submission of a certificate of an insurance company that automobile liability insurance is in effect and that such insurance will apply to any judgment within statutory limits resulting from the accident fulfills the security requirement. Limits vary, but in many states \$5/10,000 for bodily injury liability and \$1,000 property damage liability are required limits. Some states have raised bodily injury limits to \$10/20,000 or \$20/20,000 and property damage to \$5,000.

As alternatives to providing a certificate of automobile liability insurance as security, certification of surety companies that bonds guaranteeing payment to the same limits are in effect or deposits of stipulated amounts of cash or securities will suffice.

Proof of Financial Responsibility

Proof of financial responsibility required following convictions and satisfied judgments may be shown by the same means as are employed in showing security. In some states proof of financial responsibility may be required in addition to security.

Those states and provinces which require proof in addition to security are: Florida, Indiana, Maine, Maryland, Michigan,

⁴In some states suspension may be lifted without satisfaction of the judgment if the judgment creditor so agrees and the judgment debtor files proof of financial responsibility with respect to future accidents.

If automobile liability insurance at statutory limits covers the accident, financial responsibility laws do not apply. This is also true if there is other security or a bond which will be available to defray possible judgments or if the parties qualify as self-insurers.

Generally, the suspension and security provisions of financial responsibility laws do not apply if injury or damage is to the person or property of the owner or the driver. The owner or driver of an involved vehicle which at the time of the accident was standing or legally parked is not required to post security or to stand suspension. This is true also in cases where vehicles are operated without the permission of their owners.

Generally, suspension of license and registration is lifted after one year has passed without suit or if evidence of final adjudication of non-liability is given.

Judgments

The person against whom a judgment is returned in most of the states which have "security-type" laws must not only pay it before his license and registrations are restored, he must also supply proof of financial responsibility as to future accidents. This provision applies specifically to judgments in any state or Canadian province, not merely to judgments within the state in which the debtor is licensed. Judgments are deemed satisfied, regardless of amounts involved, when amounts equivalent to or less than required liability limits per person and per accident have been paid.

The "security-type" laws apply also to non-residents who are involved in accidents within the state. The suspension is no more than the driving privileges within the state and of any possible future registrations or license applications there. When judgments are involved, however, financial responsibility laws reach across state lines. A resident of West Virginia, for example, involved in an accident in New York from which a judgment arises is subject to the same provisions of the West Virginia law as would apply should he have a judgment rendered against him in his home state.

⁵Some states have reciprocal provisions. In these states the responsible official reports accidents to the official of the state in which a non-resident lives. If the non-resident's home state has reciprocal provisions, his license and registration are suspended there.

⁶In Nutler vs. State Road Commission, 193 S. E. 549, the supreme court of West Virginia upheld the suspension of a resident's license because he failed to pay a judgment in New York.

III. UNSATISFIED JUDGMENT FUNDS7

Another approach to the problem of the uncompensated automobile accident victim is the government unsatisfied judgment fund. This type of law originated in the Province of Manitoba and has since been adopted in Maryland, North Dakota, New Jersey, Alberta, British Columbia, Newfoundland, Nova Scotia, Ontario and Prince Edward Island. Such legislation is in addition to the financial responsibility law of the state or province.

Unsatisfied judgment fund laws provide that every person registering an automobile in the state or province must pay an additional fee into a government fund to cover uncollectible automobile judgments. The New Jersey and Maryland laws charge uninsured motorists a higher fee than those carrying insurance and also impose an assessment upon insurers writing automobile liability insurance in the state. These laws also usually provide that collection of this fee will be suspended whenever the fund reaches and is maintained at a certain sum.

This fund is used to reimburse persons who have secured judgments in that state or province for bodily injury or death from automobile accidents and are unable to collect them. There is usually a minimum judgment of \$100 to which this law applies while the maximum recovery under the fund is usually \$5,000 per person and \$10,000 per accident for bodily injury. In Alberta,

⁷The following information on unsatisfied judgment funds is taken from Research Department, Arkansas Legislative Council, "Motor Vehicle Unsatisfied Claim and Judgment Funds," <u>Research Report No. 104</u>, Little Rock: September, 1960, pp. 4-13.

Newfoundland, New Jersey, Nova Scotia, Ontario and Prince Edward Island the fund applies to property damage judgments as well, up to a limit of \$1,000.8

These laws establish a procedure to make certain that the claimant has exhausted every means of collecting the judgment before he will be paid out of the fund. When a payment is made the insolvent motorist must repay it with interest before he can recover his right to drive. The laws of each of the three states are discussed in greater detail in the appendix to this report.

⁸The Alberta and Ontario laws, in addition, cover bodily injury caused by unidentified "hit-and-run" drivers. A designated public official is made the nominal defendant in a personal injury suit.

IV. MANDATORY UNINSURED MOTORIST INSURANCE9

Uninsured motorist protection is insurance against being involved in an accident with a motorist who is not protected by bodily injury liability insurance, the accident resulting in personal injury to the insured for which the uninsured motorist is liable. Subject to the policy limits, the insurance company writing this coverage does for its insured what the insurer of the party responsible would have done if that motorist had been protected by bodily injury liability insurance. In most states uninsured motorist coverage is available to any person whether he owns an automobile or not.

In eight states uninsured motorist coverage is mandatory under every liability policy issued to insure an automobile registered in the state. 10 The extent of coverage varies with the state, but is most typically \$10/20,000. In California, Florida and North Carolina there is provision for formal waiving

⁹Information on uninsured motorist insurance is taken from the <u>Fidelity</u>, <u>Casualty and Surety Bulletins</u>, pp. Frlu-1 to Frlu-13 (Cincinnati).

¹⁰California, Florida, New Hampshire, New York, North Carolina, Oregon, South Carolina and Virginia.

or rejection of this mandatory coverage. The New York law provides uninsured motorist protection for every resident of the state, whether or not he owns an automobile. 11

¹¹All automobile liability policies covering cars registered in the State of New York and issued after January 1, 1959 contain a provision by which the insured, his or her spouse and relatives residing with the insured, passengers in cars owned by the insured or spouse, and passengers in cars driven by the insured or spouse, are protected, subject to the terms of coverage. Any other person who is a resident of the State of New York or of another state having a similar program may file under the provisions of the Motor Vehicle Accident Indemnification Corporation Act a claim as a "qualified person."

V. COMPULSORY AUTOMOBILE INSURANCE-THE MASSACHUSETTS PLAN

Compulsory automobile insurance, which Massachusetts pioneered, represents a fundamentally different approach to the problem of the uninsured motorist. Under the laws of Massachusetts, New York and North Carolina the owner of a motor vehicle must give proof of public liability insurance coverage as a prerequisite to registration of the vehicle.

The bill for the Massachusetts compulsory insurance law was passed in 1925 and became effective in January, 1927. A Deputy Commissioner of Insurance in Massachusetts summarized the law as follows:

The Act applies to all motor vehicles required to be registered, except motor vehicles or trailers, owned by public utilities, street railway systems and government owned vehicles.

There is no standard form of compulsory motor vehicle liability policy. It is provided by statute that the form of policy proposed by the insurer must be filed with the Commissioner of Insurance for at least 30 days, unless approved by him earlier, and is subject to his approval. This policy may not contain any exceptions or exclusions as to specified accidents or injuries or causes thereof on the public highways in the state. The liability of any company under a compulsory policy is absolute whenever the loss or damage for which the insured is responsible occurs.

False statement made either in securing the policy of securing registration of the motor vehicle, violations of the terms of the policy, or default of the insured, either prior or subsequent to the issue of the policy, do not void the policy so as to bar recovery.

Cancellation may only be effected by written notice given by the company to the holder of the policy and to the Registrar of Motor Vehicles at least 20 days prior to the intended effective date of cancellation. The insured may appeal such cancellation.

The policy terminates upon a sale or transfer by the owner of the motor vehicle or trailer covered thereby, or upon his surrender to the Registrar of Motor Vehicles of the registration plates issued to him.

The policy does not apply to bodily injury or death of any guest occupant of the vehicle.

The compulsory policy does not apply to bodily injury to or death of any employee of the insured, who is entitled to payments or benefits under the provisions of the Massachusetts Workmen's Compensation Law.

In order to facilitate the obtaining of a Compulsory Motor Vehicle Liability Policy, a voluntary Assigned Risk Plan became effective January 16, 1939. The Plan provided for the apportionment among insurance companies of eligible applicants, who, in good faith, were entitled to insurance, but were unable to procure such insurance through ordinary methods. 12

From 1927 until 1957 Massachusetts was the only state with compulsory automobile insurance. Consequently, the comments and testimony on the subject in the United States tend to be limited to the experience in Massachusetts and frequently equate compulsory automobile insurance with the Massachusetts plan.

Much of such comment and testimony stresses the "widespread dissatisfaction" with compulsory automobile insurance in Massachusetts, both on the part of the public and on the part of the insurance industry.

In Massachusetts compulsory automobile insurance rates are set by the state insurance commissioner, with the rate-setting process being subject to political considerations. On the other

¹²Louden, John H., Address before Eighth Annual Governor's Highway Safety Conference, May 25, 1951, as cited in Colorado Legislative Council, "The Problem of the Uninsured Motorist in Colorado," Research Publication No. 10, December, 1954, pp. 14-15.

hand, the two other compulsory insurance states, New York and North Carolina, permit the insurance industry to set the rates, which are subject to the approval of the state insurance commissioner or superintendent in a manner similar to that in Hawaii. 13

The Massachusetts plan has been criticized because the compulsory insurance, whose statutory limits are \$5/10,000, does not cover accidents occurring on private roads, property damage, nor since 1937, guest occupants. Similarly, the absence of protection against injury resulting from accidents involving hit-and-run drivers, stolen vehicles and uninsured vehicles has been criticized. These defects are, however, remedial. Protection against injury suffered in accidents involving hit-and-run, stolen or uninsured vehicles may be accomplished by making mandatory uninsured motorist coverage. Insurance covering accidents on private roads, property damage and guest occupants is available, and can be incorporated into a compulsory insurance package.

New York and North Carolina

Compulsory automobile insurance in these two states pro- vides considerably broader protection than in Massachusetts.

¹³Casualty Insurance Companies Serving Massachusetts, <u>The First Thirty Years</u>. Boston: 1957, p. 9 and <u>letter</u> from R. E. Holcombe, Assistant Fire and Casualty Actuary, Insurance Department, State of North Carolina to Legislative Reference Bureau, University of Hawaii, dated October 17, 1961.

The required coverage is \$5/10,000 for bodily injury and \$5,000 for property damage in North Carolina, and \$10/20,000 bodily injury and \$5,000 property damage in New York.

In New York and North Carolina the financial responsibility laws also remain in effect. Thus a person who operates an uninsured motor vehicle in either of these states is not only subject to the penalty provisions of the compulsory law, but must comply with the security and proof provisions of the financial responsibility law, as well. Both of these states have made uninsured motorist coverage mandatory. The expenses of administering the compulsory insurance program in North Carolina are paid from the general fund, as they are in Massachusetts, while in New York they are assessed against the insurers. New York and North Carolina have succeeded in adopting compulsory automobile insurance plans which appear to avoid the defects alleged to exist in the Massachusetts plan.

VI. COMPULSORY AUTOMOBILE INSURANCE— THE SASKATCHEWAN PLAN¹⁴

Normal liability insurance policies, whether compulsory or voluntary, are based on the legal theory of no liability without fault. The province of Saskatchewan has, however, established a state-owned and -operated system of compensation for automobile accidents which is similar to that of workmen's compensation in assuming a blanket liability regardless of fault. Under workmen's compensation, employers pay a tax into a state fund from which accident and death benefits are paid. Under the Saskatchewan insurance plan each motorist pays into a state fund from which benefits are paid according to a standard schedule without regard to the fault of the motorist.

Benefits are payable to anyone in the province, even if he should not be required to purchase such insurance. For example, they apply to a person who does not own or drive an automobile, but who should be injured as a pedestrian or passenger.

These benefits also apply to any resident of Saskatchewan injured in a Saskatchewan automobile on a highway in any other part of Canada or in the United States. A financial responsibility law exists in Saskatchewan, but applies only to foreign vehicles. All Saskatchewan vehicles are insured under the compulsory insurance law for limits higher than those required by the financial responsibility law.

¹⁴Information on the Saskatchewan Plan is taken from the Fidelity, Casualty and Surety Bulletins, pp. Frlb-1 to Frlb-3 (Cincinnati) and Colorado Legislative Council, op. cit., p. 19.

A series of amendments has extended the Saskatchewan law to provide bodily injury and property damage liability insurance and comprehensive coverage, which latter includes collision insurance. Comprehensive insurance is subject to a \$200 deductible for private passenger cars. The deductible varies for other vehicles. Saskatchewan motorists are insured against liability claims up to \$10/20,000 for bodily injury and \$5,000 for property damage. A recent amendment extends liability benefits to any person "victimized" by the driver of a stolen vehicle. For car owners who desire more coverage than that provided by the standard "license-insurance" coverage, the Government Insurance Office offers supplementary insurance called the "package policy". 15

¹⁵Available for an extra premium charge, the "package policy" extends the motorist's coverage in three ways: (1) liability protection is extended to a \$100,000 single limit; (2) the \$200 deductible on collision, upset, and plate glass is reduced to \$50 or \$100 for private passenger cars and to \$25 or \$50 for farm trucks; (3) the \$200 deductible on all other of the comprehensive coverages is eliminated. The purchase of this "package policy" is completely optional. Rates are, of course, additional to that required for the standard, compulsory protection. Further, a motorist is free to buy any type of additional automobile protection from a private insurance company. Liability limits under the Government Insurance Office policy may be increased to \$200,000 or \$300,000--both single limit--for an additional premium.

VII. THE MERITS OF COMPULSORY AUTOMOBILE INSURANCE

The principal argument which may be made for compulsory automobile insurance is that it most effectively limits the use of the public thoroughfares to those who have demonstrated proof of financial responsibility. Financial responsibility laws, which do not require proof of financial responsibility except under certain conditions, permit the imprudent and irresponsible full use of the highways until through an accident, unsatisfied judgment or conviction of certain traffic violations such irresponsibility is brought to light. Under a compulsory law nearly 100 per cent of the locally licensed and registered vehicles are insured. In several of the non-compulsory states more than 90 per cent of the locally licensed and registered motor vehicles are insured, but in most states the percentage of insured vehicles is between 70 and 90 per cent.

VIII. THE LIMITATIONS OF COMPULSORY AUTOMOBILE INSURANCE

The several defects in the compulsory automobile insurance plan in Massachusetts, as discussed in the section, <u>Compulsory Automobile Insurance--The Massachusetts Plan</u>, may be corrected either in the designing of the compulsory insurance package or by legislation requiring such supplementary devices as an unsatisfied judgment fund, mandatory uninsured motorist coverage and by raising the minimum statutory requirements for proof of financial responsibility.

A more serious possible defect of compulsory automobile insurance is the apparent tendency of rates to rise in the states which have compulsory insurance. Massachusetts, for example, has long had the highest automobile insurance rates in the United States. North Carolina, the newest state to experiment with compulsory automobile insurance, has recently approved 18.7 per cent rate increase.

Fundamentally, there are but two elements in the computation of pure claim costs, claim frequency and average claim cost. According to critics, where compulsory insurance exists, there is a marked increase in "claim consciousness" on the part of the public. According to this argument, where it is common knowledge that each driver is insured, there is an increased effort among drivers involved in accidents to obtain as much as possible from the insurer for each accident, thus increasing both claim frequency and average claim costs. A corollary to this is the

feeling that the additional litigation would further the burden already overcrowded court dockets. Studies have neither supported nor disproved this assertion. Pure claim costs are more a function of the effectiveness of the traffic safety program, and studies have yet to reveal that the possession or non-possession of automobile insurance influences driving habits.

Claim costs, and therefore insurance costs, could and probably would rise appreciably under a compulsory plan if those individuals who are extremely accident prone were permitted to purchase automobile insurance at the same rate as the safe driver. Among those who remain uninsured where automobile insurance is not compulsory are the uninsurable, those whose driving record is so poor that insurance companies refuse to carry them, even under an assigned risk plan, and those who find the cost of insurance prohibitive under a "safe driver plan."

The costs of the inclusion of the poor risks in the compulsory insurance program may be met either by an across-the-board increase in rates or by requiring such risks to pay their own way. Preferential insurance rates authorized by Act 113, Session Laws of Hawaii 1961, provide a device for requiring poor risks to assume their share of the costs.

The very idea of compulsion is distasteful to many. If strictly enforced, compulsory automobile insurance may force some drivers off the road. On the obverse side of the coin, those in favor of compulsory insurance are wont to point out that there are already some provisions of law compelling

the purchase of automobile insurance under certain conditions and compelling compliance with predetermined vehicle safety standards as a prerequisite to operation of the vehicle on the public highways.

In the final analysis the question is the choice of means to minimize or ameliorate the hardships caused by the small number of financially irresponsible motorists. Uninsured motorists' coverage, which is available in Hawaii on a voluntary basis, offers to those who purchase it effective protection against such hardships. Mandatory uninsured motorist coverage or an unsatisfied judgment fund would make this protection more widespread. Compulsory automobile insurance could be designed to provide an even broader coverage for a greater number.

Appendix

UNSATISFIED JUDGMENT FUNDS IN THE UNITED STATES

New Jersey

The New Jersey law creating the unsatisfied claim and judgment fund which was enacted in 1952 and became effective in 1955, is administered by a board composed of the Director of the Division of Motor Vehicles, the Commissioner of Banking and Insurance and four members appointed by the commissioner. The fund is financed by investments, reimbursements, assessments against insurance companies and fees of one dollar from each person registering an insured motor vehicle and three dollars from each persons who obtain an uncollectible judgment in excess of \$100 may file a claim in the court in which the judgment was entered and after written notice may apply to the board for an order directing payment from the fund of the amount unpaid on such judgment up to limits of \$10/20,000 bodily injury and \$5,000 for property damage.

When an action is pending in a court against the owner or operator of a motor vehicle for damages arising out of an accident, the plaintiff may upon notice to the board file a petition with the court alleging among other things that he has reached an agreement with the defendant to settle the claims and stating the amount of such agreed settlement, that such settlement has been consented to by the board, that a judgment against the defendant would be uncollectible, that the defendant has agreed in writing to repay to the fund the amount that would be paid from the fund in his behalf, and, that the defendant has executed a confession of judgment. If the court is satisfied of the truth of such allegations and of the fairness of the settlement it may enter an order directing payment of the claim from the fund.

This law is applicable to hit-and-run accidents or accidents involving stolen vehicles. The persons suffering such damage may bring action against the Director of Motor Vehicles, and upon meeting all requirements, may obtain a judgment against the director to be paid from the fund.

Revised Statutes, Cumulative Supplement, New Jersey, sections 39:6-61 to 39:6-91 (1952).

Maryland

The Maryland Unsatisfied Claim and Judgment Fund Law which was enacted in 1957 to cover accidents occurring on or after June 1, 1959, was modeled after the New Jersey law and is substantially the same with the following exceptions:²

- (1) For the purpose of financing the fund, the Commissioner of Motor Vehicles calculates the probable amount which will be necessary to operate the fund for the next registration year. If in his estimation the estimated balance in the fund will not be sufficient he makes an assessment as follows:
 - (a) Against insurers in an amount equal to 1/2 of 1% of the aggregate net direct written premiums of all insurers during the preceding calendar year, or, 10% of the estimated deficiency, whichever is the smaller, and,
 - (b) Against persons registering uninsured motor vehicles during the ensuing registration year in an amount equal to the remaining deficiency, with each person registering an uninsured motor vehicle paying for each vehicle an amount determined by dividing the remaining deficiency by the number of uninsured vehicles registered during the preceding registration year.
- (2) Persons covered by workmen's compensation are not excluded. Recovery from the fund is not deductible from workmen's compensation benefits nor are benefits deductible from the amount payable from the fund.
- (3) Relatives other than the spouse of the judgment debtor are not excluded, nor are occupants of an uninsured car other than the owner-driver.

North Dakota

The North Dakota Unsatisfied Judgment Fund Law which was enacted in 1947 is financed by the assessment of an additional fee of \$1.00 for each motor vehicle registered. Such funds are deposited with the State Treasurer and credited to the "unsatisfied judgment fund". Persons who obtain an uncollectible

²Annotated Code of the Public General Laws of Maryland, 1957 Cumulative Supplement, Article 66-1/2, sections 145A to 145DD (1957).

³North Dakota Revised Code of 1943, 1949 Supplement, Chapter 39-17 (1947).

judgment in excess of \$300.00 for bodily injury or death arising out of the operation of a motor vehicle in the state may apply to the judge of the district court for an order directing the Treasurer to make payment of such judgment to the maximum of \$5/10,000 from the fund. Property damage is not included. This law is also applicable to hit-and-run accidents, in which case action is brought against the fund.