

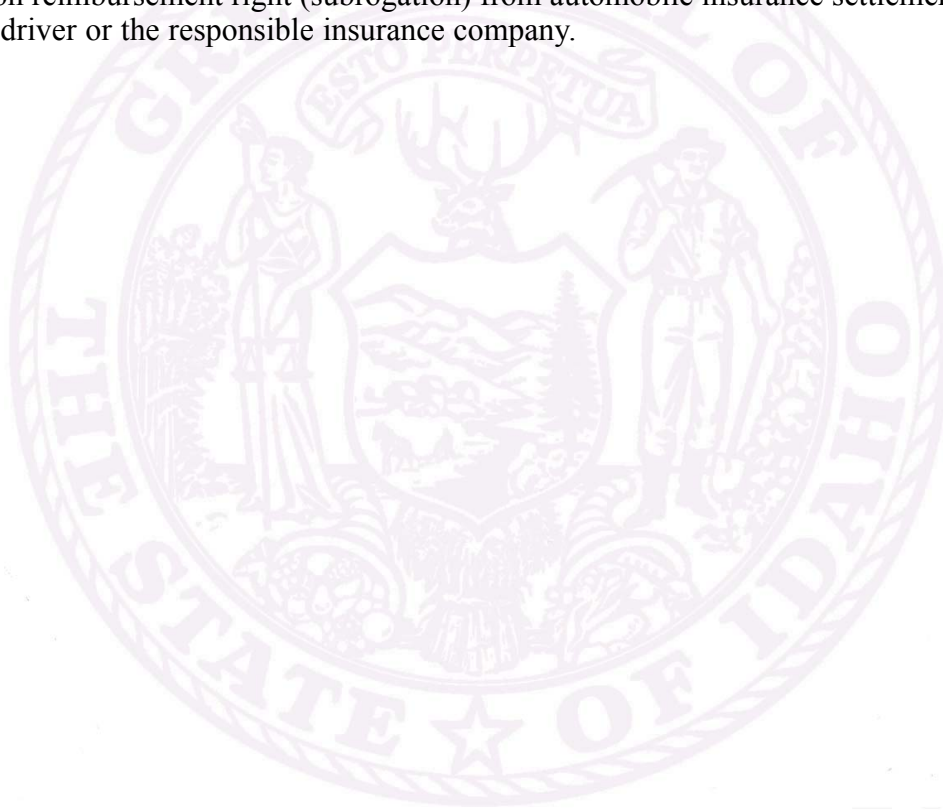
STATEMENT OF PURPOSE

RS24537

The purpose of this legislation is to increase the required automobile minimum liability insurance or proof of financial responsibility from \$25,000 to \$50,000 maximum for one claimant; from \$50,000 to \$100,000 maximum for two or more claimants; and from \$15,000 to \$50,000 maximum for property damage. Liability insurance minimum limits have not been increased since 1983 which is over 33 years ago. The same \$25,000 in medical services that a person received in 1983 would cost over \$100,000 today.

FISCAL NOTE

The precise savings are yet to be determined, but the benefit to the General Fund and other government entities is conservatively estimated to be between \$1 million and \$2 million. The reason for these savings is because government entities that have paid for medical bills have a first-position reimbursement right (subrogation) from automobile insurance settlements paid from an at-fault driver or the responsible insurance company.



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