

NEWS RELEASE

INSURANCE COMMISSIONER DAVE JONES ANNOUNCES APPROVAL OF “PRINCIPALLY AT-FAULT” REGULATIONS

Insurance Commissioner Dave Jones today announced the final approval of amended regulations that simplify the requirements for determining whether a driver is principally at-fault (PAF) for an accident, which impacts consumers’ ability to obtain “Good Driver Discounts” under Proposition 103. The amended regulations prepared by the Commissioner today cleared the final administrative hurdle, having obtained approval from the Office of Administrative Law.

The amended regulation also allows an insurer to rebut presumptions concerning circumstances where a driver should be considered at-fault because the insurer may have evidence that the driver's acts or omissions caused the accident. The amended regulation also corrects problems with the PAF definition by including accidents involving bodily injury or death, restoring "total loss or damage" language, and raising the threshold for property damage, which has not been adjusted in nine years.

In addition, it allows insurers to rely solely on Comprehensive Loss Underwriting Exchange (CLUE) and Insurance Services Office (ISO) reports. LexisNexis® C.L.U.E.® Auto and ISO's A-PLUS™ are subscribing loss underwriting exchange carriers databases containing personal automobile claims information. In response to the amended regulation, CLUE and ISO have modified their databases to include information pertinent to insurers’ principally at-fault determinations. With this additional information, an insurer's use of CLUE reports should be a reliable source of information and will allow insurers to make timely auto insurance quotes to consumers.

“Today we obtained final approval of the Department of Insurance’s amended “principally at-fault” regulations,” said Commissioner Jones. “The amended regulations include important consumer safeguards.”

Chief among the consumer safeguards are:

- The clarification and requirement of a consistent procedure that a driver’s insurer at the time of an accident and any subsequent insurer must follow to determine that the driver is principally at-fault for the accident.
- The prohibition of insurers from relying solely on Department of Motor Vehicle Reports, which do not contain enough information for insurers to make a principally at-fault determination.
- The disapproval of the right of an insurer to charge a driver with a principally at-fault accident when the driver does not provide enough information.
- The requirement of subsequent insurers to accept a driver’s declaration of his accident history if no other information is available.

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