



United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-277578

September 5, 1997

The Honorable Elton Gallegly
House of Representatives

Subject: Illegal Immigration: Information on Illegal Immigrants and
Automobile Insurance in California

Dear Mr. Gallegly:

On April 16, 1997, you asked us to conduct a study on the extent to which illegal immigrants operate motor vehicles in California without automobile insurance. Our preliminary work in response to this request indicated that the data necessary for us to answer your question were not available. Consequently, on June 19, 1997, we briefed your office on this development and discussed related information that we had gathered. Your office asked us to inquire about whether the Criminal Alien Identification Pilot Program, established by the Immigration and Naturalization Service (INS) and the city of Anaheim, California, at the city's detention facility to identify criminal aliens for potential deportation, had any information available on illegal immigrants driving without automobile insurance. Your office also asked us to summarize the results of all of our work in a letter to you. This letter responds to that request.

To determine whether information was available on illegal aliens operating motor vehicles without automobile insurance, we (1) conducted literature searches and obtained data from published reports and (2) contacted key officials from various national, state, and nonprofit organizations, including the National Association of Insurance Commissioners, the California Department of Insurance, and RAND.¹ We also visited and met with officials from the City of Anaheim's detention facility. We performed this work from May through August 15, 1997. We did not obtain comments from the organizations we contacted because the limited work we did consisted primarily of presenting

¹RAND is a nonprofit institution providing research and analysis in many areas, including national defense, education and training, health care, criminal and civil justice, labor and population, science and technology, community development, international relations, and regional studies.

factual information obtained from published reports and because we did not verify, analyze, or make recommendations about that information.

RESULTS IN BRIEF

We identified estimates of (1) U.S. illegal immigration, (2) California uninsured motorists, and (3) costs to California consumers from uninsured motorists. We were, however, unable to find any information on the extent to which illegal immigrants in California were also uninsured motorists. At the Anaheim detention facility, we found that, while some criminal aliens in detention were charged with driving without automobile insurance, the officials did not know whether other illegal aliens who drove had insurance. Consequently, data were not available to show the percentage of illegal immigrants in California who did not have automobile insurance.

ESTIMATES OF THE UNITED STATES' ILLEGAL IMMIGRANT POPULATION

According to INS estimates,² the illegal resident population³ in the United States as of October 1996 was 5 million, representing roughly 1.9 percent of the total U.S. population. INS believes that more than 80 percent of the illegal residents have settled in the seven states that traditionally have had the largest immigrant populations: California, Texas, New York, Florida, Illinois, New Jersey, and Arizona. In addition, INS estimated that 2 million illegal residents, or 40 percent of the current estimated illegal resident population, live in California.

Also according to INS,⁴ as of October 1996, 6.3 percent of California's population consisted of illegal immigrants. The estimated growth in California's illegal resident population was about 100,000 persons each year during the current decade.

²U.S. Department of Justice, INS Office of Public Affairs, "INS Releases Updated Estimates of U.S. Illegal Population" (news release, Feb. 7, 1997).

³The INS estimates refer to the population of immigrants who have established residence in the United States by remaining in the country for more than 12 months in an illegal status.

⁴U.S. Department of Justice, INS Office of Policy and Planning, "Estimates of the Unauthorized Immigrant Population Residing in the United States: October 1996," Backgrounder (INS Office of Public Affairs, Jan. 1997).

ESTIMATES OF CALIFORNIA'S PERCENTAGE OF UNINSURED MOTORISTS
AND THE RELATED ESTIMATED COSTS TO CALIFORNIA CONSUMERS

The State of California Insurance Commissioner reported in April 1997 that at least 25 percent of California drivers, or an estimated 4 million motorists, were uninsured.⁵ He also reported⁶ that an estimated 37 percent of the drivers in Los Angeles County, and more than two-thirds of the drivers in low-income communities, drive without insurance.

In 1995, a California Department of Insurance report⁷ estimated the percentage of uninsured motorists for 157 "underserved" communities.⁸ These communities were arrayed by zip code, with city and county as part of the identifier. Of these 157 zip codes, 75 were in Los Angeles County. The report also estimated that one zip code area (San Ysidro, in San Diego County) had a 98 percent uninsured motorist rate, the highest rate for the 157 zip code areas included in the report. Two Los Angeles County zip code areas were also estimated as having uninsured motorist rates exceeding 90 percent.

The California Department of Motor Vehicles' Research and Development Section and the Division of Program and Policy Administration issued a report in 1991⁹ that included information on the costs incurred by insured motorists as a result of accidents caused by uninsured motorists. For example, the report showed that the total cost to insured motorists for accidents caused by uninsured motorists was estimated to be \$2.07 billion in 1988 and \$2.37 billion in 1989. In addition, the average annual cost per insured motorist, resulting from other motorists being uninsured, was estimated to be \$145 in 1988 and \$159 in 1989.

⁵California Department of Insurance, "Commissioner Quackenbush Holds a Hearing in Los Angeles on Ways to Make Auto Insurance More Affordable to Uninsured Motorists in California," Press Release #27 (Apr. 17, 1997).

⁶California Department of Insurance, Press Release: "1995 Year End Report."

⁷The California Department of Insurance Statistical Analysis Bureau, Commissioner's Report on Underserved Communities (Reporting Year 1995) (Feb. 1995).

⁸An "underserved" community was defined in the state insurance code as a zip code where (1) the proportion of uninsured motorists was 10 percentage points or more above the statewide average—about 28 percent, (2) the per capita income of the community was below the 50th percentile for California—about \$14,000, and (3) the community was predominately minority (composed of 67 percent or more minorities)—the statewide average was about 43 percent.

⁹Uninsured Motorists: Their Rate and Cost to Insured Motorists, Final Report to the Legislature of the State of California (Dec. 1991).

ESTIMATES OF THE NUMBER OF ILLEGAL IMMIGRANTS OPERATING MOTOR VEHICLES WITHOUT INSURANCE WERE NOT AVAILABLE

The National Highway Traffic Safety Administration¹⁰ collects data from a nationally representative sample of police-reported motor vehicle crashes of all types, from minor to fatal. However, the data collected do not include information on whether motorists were licensed, insured, or legally in the United States.

According to a California Department of Motor Vehicles official, as of March 1, 1994, the Department began requiring applicants for original California drivers' licenses and identification cards to show proof of legal presence¹¹ in the United States. The official also told us, however, that the Department does not track or record any information on the number of persons who were not issued drivers' licenses because they failed to prove legal presence in the United States.

According to the Acting Chief, Statistical Analysis Bureau, California Department of Insurance, the Department does not collect or have any information on the legal residence status of drivers in California. Similarly, according to the Director of Research, National Association of Insurance Commissioners,¹² the Association has no information on illegal immigrants driving without automobile insurance. Further, he said that he was unaware of any other organization that would possess data on the number of illegal immigrants driving without automobile insurance.

According to the California Highway Patrol's Public Information Officer, as of January 1, 1997, under a new law,¹³ the California Highway Patrol began collecting data on whether motorists cited for traffic violations could show proof of automobile liability

¹⁰As part of its duties, the National Highway Traffic Safety Administration, which is under the Department of Transportation, conducts research on driver behavior and traffic safety to develop the most efficient and effective means of bringing about safety improvements.

¹¹Acceptable legal presence documents can include INS documents or other documents with an INS notation to prove legal presence in the United States. Documents must be legible and unaltered to establish proof of the person's legal presence in the United States.

¹²The National Association of Insurance Commissioners is an organization of insurance regulators from the 50 states, the District of Columbia, and the 4 U.S. territories.

¹³See State of California Department of Motor Vehicles, "AB 650 Vehicle Insurance Law Changes Go into Effect January 1," News Release #25 (Dec. 18, 1996). Under provisions of California's mandatory vehicle liability insurance law, motorists must show evidence that they have liability insurance to a peace officer if they are stopped for a traffic violation. In addition, the law requires motorists to file evidence of liability insurance coverage when they renew their vehicle registration.

insurance. In addition, the California Highway Patrol has been collecting data for a number of years on whether motorists had valid drivers' licenses when cited for traffic violations. However, the California Highway Patrol does not collect any information on motorists' legal residency status.

According to the Director of RAND's Center for Research on Immigration Policy, RAND has never issued a report or done a study that has attempted to identify the extent to which illegal immigrants in California were also uninsured motorists. Further, he said that he was not aware of any other organization that had attempted to do this kind of study.

CITY OF ANAHEIM AND INS
ALIEN IDENTIFICATION PILOT PROGRAM

The City of Anaheim and INS entered into a pilot program to identify illegal aliens in the city's detention facility.¹⁴ According to City police officials, their police officers administer a survey to identify arrestees considered to be "most likely in the country illegally." INS assigned an agent to the city detention facility to determine the immigration status of arrestees and detain illegal aliens for transfer to INS custody.

We visited the Anaheim detention facility and reviewed files for illegal aliens arrested for traffic violations between July 22 and July 31, 1997, to determine whether any were also uninsured motorists. We found that, of the 11 illegal aliens who had been arrested during that period for traffic violations, 3 were charged with not having automobile insurance. The remaining eight offenders were not charged with being uninsured, and their records did not contain any mention of the presence or absence of automobile insurance. A Senior Detention Officer told us that, although some illegal aliens arrested for traffic violations are charged with being uninsured, he could not be certain whether others arrested for similar violations had insurance or not.

As we arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this letter until 10 days after its issue date. We will then make copies available to others upon request.

¹⁴The program was specifically authorized by section 329 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, P.L. 104-208.

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Please contact Darryl W. Dutton of my staff on (213) 830-1086 or me on (202) 512-3610 if you or your staff have any questions. Other major contributors to this letter were Sam Caldron, Brian Lipman, and David Alexander.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Norman J. Rabkin". The signature is written in a cursive style with a large initial "N".

Norman J. Rabkin
Director, Administration
of Justice Issues

(183616)

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