



Office of
LEGISLATIVE AUDITOR GENERAL
State of Utah

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Follow-Up of Sample Matching Driving Privilege (DP) Cards to Vehicle Insurance

We have completed a follow-up audit regarding driving privilege (DP) cards issued to individuals in Utah to determine the rate at which DP cardholders were also obtaining insurance for their vehicles. As before, we used data from the state's Driver License Division and electronic matching from Insure-Rite (an insurance verification company designed to identify uninsured motorists for the state). We used the same methodology as our January 2006 report and found, as we did before, a significant correlation as follows:

76% of sampled DP cardholders match to vehicle insurance. So, DP cardholders are within about 6% of the driver's license control group sample which had an 82% match to vehicle insurance.

- A sample of 3,461 DP cards identified 2,641 cardholders that were electronically matched to vehicle insurance policies. This analysis shows that 76 percent of DP cardholders in the sample have evidence of vehicle insurance. This is a 1 percent increase from the 75 percent match in January 2006.
- By using a control group of 3,429 driver's licenses, we found that 82 percent of the driver's licenses could be electronically matched to vehicle insurance policies, which also represents a 1 percent increase from the 81 percent match in January 2006.
- DP cardholders are within approximately 6 percent of the control-group population.

We verified the sample by manually testing 74 DP cardholders. We found 76% had evidence of insurance, which is the same rate as the electronic match.

Additionally, we verified our sample findings by testing 74 DP cardholders and obtaining the computer matches to insurance policy numbers and carriers from Insure-Rite. In this test of 74 DP cardholders, 56 were confirmed by the computer match to have insurance, and 18 were identified as having no insurance match. We confirmed the match of insurance policy numbers and carriers on all 56 DP cardholders and also validated that there was no computer-matched insurance data on the remaining 18 cardholders. This test gave us reasonable assurance that 76 percent of the DP cardholders do have insurance.

Figure 1 below summarizes our sample findings which are similar to those in the January 2006 report.

Figure 1. Driving Privilege Card Follow-Up Sample Results Showed a 1% Increase in Match to Vehicle Insurance from the 2006 Report. We selected a sample of 3,461 DP cardholders and compared them with 3,429 driver's license holders to determine frequency of insurance. The results are similar to our January 2006 results which compared 2,500 DP cards to 2,500 driver's licenses. (Note: We increased the sample size from the January 2006 report, which makes the data in this sample statistically valid at the 99 percent confidence level with a +/- 2 percent standard error.)

Sample Group	Quantity	Percent
Driving Privilege Card		
Insured	2,641	76%
Not Found	820	24
Total	3,461	100%
Driver's Licenses		
Insured	3,429	82%
Not Found	629	18
Total	3,429	100%

The "Not Found" categories in Figure 1 represent persons in both the DP card and driver's license sampling groups who were not electronically matched to insurance.

It is interesting to note that the driving privilege cardholders have increased by 39 percent in a two-year period from about 25,000 in 2005

DP cardholders have increased by 39% since 2005, but the insurance match rate has remained constant, increasing 1% from 75% in January 2006 to 76% in January 2008.

to 34,799 at year-end 2007. However, the percent of the DP cardholders having been matched to vehicle insurance has remained constant, increasing one percent from 75 percent in January 2006 to 76 percent in January 2008. We believe that our current data verifies our previous report that showed at least 75 percent of those having driving privilege cards also hold valid insurance policies. Again, as also reported in our January 2006 audit, the follow-up sample match shows that those who operate vehicles using DP cards are only 6 percent less likely to have insurance than those with a driver's license.

2005 DP Card Legislation Appears to be Having an Impact

In the February 2005 audit ("Driver's License Issued to Undocumented Aliens"), we reported that approximately 58,000 driver's licenses were obtained using an ITIN (Individual Taxpayer Identification Number). The audit also reported concerns that Utah was being used as a portal for undocumented persons living out of state to obtain driver's licenses.

In 2005, there were 58,000 driver's licenses issued by ITIN. In 2007, there were 34,193 DP cards issued by ITIN, which is a 41% decrease.

However, based on current data from the Utah's Driver License Division, Senate Bill 227 from the 2005 General Session appears to be having a significant impact. (SB 227 was the law passed to prevent the use of ITINs to obtain a driver's license but allow a DP card in its place.) The 58,000 driver's licenses issued using ITINs in 2005 have been reduced to 34,193 valid DP cards issued using ITINs in 2007, which represents a 41 percent decrease. Furthermore, Senate Bill 227 requires those who were issued DP cards to submit two different documents verifying their residence in order to obtain the DP card.

We did not find evidence of large numbers of DP cards being issued to a single address as we did with ITIN-issued driver's licenses in 2005.

In the February 2005 audit we found many instances where multiple driver's licenses obtained through ITINs were matched to a single address. Over a period of 15 months, 235 driver's licenses were issued to five addresses. For example, in Salt Lake City there was an instance of 65 driver's licenses being issued to individuals from a single apartment.

We ran a similar test on the current DP cards to determine whether multiple cards were being issued to a single address. Current data shows no instances where large numbers of cards were issued to the same address. Our limited review shows that about 97 percent of the 34,193 currently valid DP cards obtained through an ITIN are matched to

In 2005, there were 37,000 ID cards issued to persons who appeared to be undocumented aliens. There are now zero ITIN-issued ID cards due to 2005 legislation.

98% of currently valid DP cards were obtained by ITIN. The remaining DP cards are coded by the Driver License Division as “legal presence.”

addresses ranging from one DP card to a single address to up to five DP cards at a single address. We believe this is evidence that the DP card program may be deterring those who previously used Utah as a portal for obtaining identification.

In a related area, our February 2005 audit also reported that “personal identification [ID] cards were issued to another 37,000 individuals who also appear to be undocumented aliens.” SB 227 also prevents anyone who does not have a social security number from obtaining a state-issued ID card; so, an individual cannot use an ITIN to obtain an ID card. Therefore, the 37,000 cards issued with an ITIN in 2005 has been reduced to zero in 2007.

The Driver License Division believes that after reviewing the numbers our office requested, the requirements implemented during the 2005 legislative session have resulted in a decline in the number of driving certificates issued to applicants who provide an ITIN under *Utah Code* 53-3-207.

Almost All DP Cards Are Obtained by ITIN

Finally, we were asked to report how many DP cards were obtained using an ITIN as opposed to other means. Of the 34,799 currently valid DP cards¹ (ending December 31, 2007), 98.3 percent are coded in the Driver License Division’s database as being obtained by ITIN (34,193 DP cards). The remaining 606 DP cards are coded as “legal presence” (1.7 percent of total DP cards), meaning the DP cards were obtained through documents supporting legal presence (i.e. foreign passport with VISA, U.S. military ID card, etc.).

¹ According to the Utah Driver License Division, there were 40,992 driving privilege (DP) cards issued as of December 31, 2007. However, our analysis includes only the 34,799 DP cards that are currently valid.