

Traffic Safety Facts

Laws

DOT HS 810 885

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Alcohol Exclusion Laws

Background

The National Highway Traffic Safety Administration encourages States to examine insurance laws for the existence of alcohol exclusions and support legislation that eliminates these barriers to both blood alcohol concentration (BAC) testing and treatment access for those with alcohol use or dependency problems.

The Alcohol Exclusion Law, embedded in the Uniform Accident and Sickness Policy Provision Law (UPPL) of many States, allows insurance companies to deny reimbursement to hospitals for treatment to those who are injured while impaired by alcohol or any drug not prescribed by a physician at the time of injury. By denying insurance coverage for injuries suffered while under the influence, the Alcohol Exclusion Law was intended to discourage drinking and save insurance companies

money. However, such laws may have an unintended consequence of limiting the ability of physicians to recognize people with alcohol or drug problems and refer them to treatment. In addition, the laws may reduce the incentives for physicians to test BACs of injured people who may have been driving at the time of their injury and may also deter injured drivers from seeking medical treatment.

Key Facts

- In 2006, there were 17,602 alcohol-related fatalities in motor vehicle crashes.
- In 2006, 41 percent of fatal motor vehicle crashes nationwide were alcohol-related.
- Inpatient rehabilitation costs for motor vehicle injuries average \$11,265 per patient and \$13,200 per patient for motorcycle injuries.
- The National Association of Insurance Commissioners (NAIC), the organization of insurance regulators in the 50 States, adopted the Alcohol Exclusion Law as part of the UPPL model law in 1947. In 2001, in recognition of advances in alcohol treatment and with strong support from medical authorities, NAIC revised the UPPL model law to repeal the

Alcohol Exclusion Law and to forbid health insurance companies from denying coverage to individuals under the influence of alcohol or narcotics.

- Since 2001, 12 States have repealed or amended their Alcohol Exclusion Laws.
- NHTSA has joined with four other Federal agencies to examine the effects of these laws on emergency medical practices involving screening, brief intervention, and referral to treatment of alcohol and other substance abuse problems, as well as any impact the laws may have on testing rates for impaired drivers.

Which States Have an Alcohol Exclusion Law?

To date, 29 States and the District of Columbia have alcohol exclusion laws: Alabama, Arizona, Arkansas, California, Delaware, Florida, Georgia, Hawaii, Idaho, Kansas, Kentucky, Louisiana, Maine, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New York, North Dakota, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wyoming.

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Seven States implicitly allow the use of alcohol exclusions (Alaska, Massachusetts, Michigan, New Mexico, New Hampshire, Oklahoma, Utah, Vermont, and Wisconsin). Because these States do not have laws that explicitly prohibit insurance companies from excluding coverage for injuries suffered under the influence of alcohol and drugs, courts have ruled that insurance companies can use such exclusions.

During the 2007 State legislative sessions, several States introduced bills to repeal or prohibit alcohol exclusions in insurance contracts. Three States (Illinois, Indiana, and Oregon) successfully passed their legislation and now prohibit health care insurance exclusions for alcohol-related injuries.

Since 2001, a total of 12 States have prohibited the use of alcohol exclusions (Colorado, Connecticut, Illinois, Indiana, Iowa, Maryland, Nevada, North Carolina, Oregon, Rhode Island, South Dakota, and Washington). One State has repealed explicit laws but did not prohibit exclusions (Vermont).

Six States (Massachusetts, Michigan, New Mexico, New Hampshire, Utah, and Wisconsin) never adopted the Alcohol Exclusion Law. However, because these States do not explicitly prohibit insurance companies from excluding coverage for injuries suffered under the influence of alcohol and drugs, courts have ruled that insurance companies can use such exclusions.

References

Alcohol Exclusion Law Resource Kit, <http://www.ensuringsolutions.org/alcoholexclusions/#3>.

Miller, T., Langston, E., Lawrence, B., Becker, L., Snowden, C., Granger, C., Russell, C., Jeffrey Kreutzer, J., & Marwitz, J. March 2006. *Rehabilitation Costs and Long-Term Consequences of Motor Vehicle Injury*. DOT HS 810 581. Washington, DC: National Highway Traffic Safety Administration.

National Institute on Alcohol Abuse and Alcoholism, Alcohol Policy Information System, <http://alcoholpolicy.niaaa.nih.gov/>.



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**National Highway
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Reports and additional information are available from your State Highway Safety Office; the NHTSA Regional Office serving your State; NHTSA Headquarters, Impaired Driving and Occupant Protection Office, ATTN: NTI-111, 1200 New Jersey Avenue SE., Washington, DC 20590; 202-366-2683, or NHTSA's Web site at www.nhtsa.gov.