

BILL ANALYSIS

Senate Research Center
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DIGEST AND PURPOSE

Currently, the Department of Public Safety (DPS) is authorized to provide recent traffic law conviction and driver's license suspension or revocation information on individual drivers in Texas to insurance and insurance support organizations, but DPS is only authorized to provide this information as part of a three-year driving record. Therefore, insurance companies are required to order the driving records of individual policyholders even if there are no recent changes in the records, which can serve as an economic disincentive for insurance companies consistently using driving records. The driving record and the timeliness of that record is an element in accurately assigning automobile insurance premiums to the risk represented by a policyholder. As proposed, S.B. 1257 authorizes DPS to contract with an insurer, an insurance support organization, or an entity that self-insures its motor vehicles to provide current information related to the driver's license status of individuals; traffic law convictions; or driver's license suspensions, revocations, or denials if the information is requested in connection with claims investigation, antifraud activities, or insurance rating or underwriting. This information will be provided for a statutorily specified fee.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 521, Transportation Code, by adding Section 521.058 as follows:

Sec. 521.058. CONTRACTS FOR DISCLOSURE OF CERTAIN INFORMATION. (a) Authorizes the Department of Public Safety (DPS) to enter into a contract with a person to provide the person with certain information from DPS driver's license files if the person is an insurer, an insurance support organization, or an entity that self-insures its motor vehicles; and the person is eligible to receive the information under Chapter 730; and the information is requested in connection with one or more of the following: claims investigation activities; antifraud activities; or insurance rating or underwriting.

(b) Requires information provided under Subsection (a) to meet certain criteria.

(c) Provides that a contract entered into under this section must require:

(1) the person who will receive a report from DPS under the contract to meet certain specified requirements.

(2) DPS to meet certain specified requirements.

(d) Provides that the fee for a report provided by DPS under Subsection (c) is \$6 for each group of 100 individuals. Provides that the fee for the report is in addition to the fee for each three-year driving record provided by DPS with the report under Section 521.046 or 521.055, as applicable.

(e) Authorizes DPS to require a person entering into a contract with DPS under this section to provide DPS with a certified check, cashier's check, or bond issued by a surety company authorized to do business in this state in an amount equal to the first payment due under the contract to guarantee the person's performance under the contract.

(f) Requires, to the fullest extent practicable, DPS services under a contract entered into under this section to be provided by, through, or in conjunction with the interactive system established under Section 521.055.

SECTION 2. Effective date: upon passage or September 1, 2003.