

SUBJECT: Driving safety course use for insurance discount or ticket dismissal

COMMITTEE: Insurance — favorable, without amendment

VOTE: 7 ayes — Smithee, Averitt, Counts, De La Garza, Driver, G. Lewis, Shields
0 nays
2 absent — Duncan, Dutton

WITNESSES: None

BACKGROUND: The Texas Driver and Safety Education Act (VACS art. 4413(29c) allows a motorist to use completion of a six-hour state-approved driver's safety course to have a court dismiss a citation received for committing a traffic offense. A motorist who receives a citation for a traffic violation has 90 days to submit proof of course completion. When a certificate of completion is accepted by a court, the ticket is dismissed and removed from the person's driving record. The court notifies the Texas Department of Public Safety (DPS) of completion of the course for inclusion in the individual's driving record.

Completion of a driver safety course also may be used to obtain a reduction in the premium charged the motorist for motor vehicle insurance. Insurers may grant such a discount, and they are prohibited from canceling or increasing the premium charged the insured for offenses dismissed as a result of taking the driving safety course.

A driver may have only one ticket a year dismissed as a result of taking a course, and tickets for exceeding the posted speed limit by more than 25 miles per hour may not be dismissed.

DIGEST: HB 773 would amend the Insurance Code to authorize the state insurance commissioner to adopt rules requiring insurance companies to grant a motor vehicle insurance premium discount to individuals who complete a driving safety course, but would disallow the discount for anyone who had used the course to get a ticket dismissed. The insurance commissioner could

establish the amount of premium discounts granted for completion of a state-approved safety course.

The bill would prohibit courts from accepting a certificate of driving safety course completion unless the person submitted the original or duplicate certificate issued by the driving safety school. A duplicate certificate would have to be accompanied by an affidavit stating the person had not submitted the certificate of course completion to a motor vehicle liability insurer.

HB 773 would take effect September 1, 1995, and would apply only to a driving safety course completed on or after January 1, 1996.

**SUPPORTERS
SAY:**

The present system rewards drivers who violate the law by allowing them to reap double advantages for taking a driving safety class. Not only are drivers allowed to have tickets dismissed after completing a safety class, but their insurance company may then grant them a premium discount — a double dip. Drivers who are given a break by the state after they have violated the law should not also be rewarded with an insurance discount. HB 773 would put some common sense back into the punishment system.

Drivers who take a safety course but do not use the certificate of completion to get a ticket dismissed would still be eligible for an insurance discount as a result of taking the class. The bill would authorize the insurance commissioner to require companies to grant such discounts and to adopt state rules for such discounts. But the bill would end the dual use of a single certificate for getting a ticket dismissal *and* a discount. Drivers who took a safety course for the purpose of getting a discount would still be able to get one.

Representatives of the driver education industry estimate that 90 percent to 95 percent of their business comes from drivers wishing to have a court dismiss a ticket. The remaining 5 percent to 10 percent of business is from drivers completing the course to receive an insurance premium discount. Industry representatives say their business may actually increase as a result of the bill, if drivers choose to take a class twice a year — once to get the automobile insurance discount and once to get a ticket dismissed.

**OPPONENTS
SAY:**

Those who receive the benefit of safety training by becoming better drivers should be able to claim an insurance discount regardless of their motivation for taking the course. Eliminating dual use of a single driver safety course for both ticket dismissal and lower insurance premiums could cause fewer persons to enroll in safety courses. Drivers would have to pay twice a year to take safety courses in order to get the full advantage of completion of the course.

The present system was designed to give a break to the person who gets a ticket no more than once a year, leaving habitual violators to pay fines or face license suspension and pay higher insurance premiums. This bill would lump everyone in the same category.