

## **BILL ANALYSIS**

Senate Research Center

H.B. 627  
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Economic Development  
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Engrossed

### **DIGEST**

Currently, the Department of Public Safety (department) is authorized to suspend the driver's license and vehicle registration of an uninsured motorist who is involved in and likely to be charged for an accident resulting in death or injury or more than \$1,000 in property damage. The department may not suspend any privileges if the person deposits with the department sufficient security or files evidence of financial responsibility. Although insurance certificates are required to register a vehicle, often the owners either cancel the policy after registering their vehicles or fail to keep current on their premiums. This bill would require an underinsured motorist to use a certificate of insurance as evidence of financial responsibility. Additionally, the insurance policy would have to be for at least six months and the premium paid in full.

### **PURPOSE**

As proposed, H.B. 627 requires uninsured motorists convicted of driving without liability insurance to purchase a six-month insurance policy to avoid having their driving privileges suspended.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 601.083, Transportation Code, by adding Subsection (e), to require a person who files a certificate of insurance to establish financial responsibility to state that the requirements of Section 601.153(b), are satisfied.

SECTION 2. Amends Section 601.153, Transportation Code, to set forth the requirements of filing a certificate of insurance. Prohibits coverage for a motor vehicle for which a certificate of insurance is filed from being cancelled unless certain situations exist.

SECTION 3. Effective date: September 1, 1997.  
Makes application of this Act prospective to January 1, 1998.

SECTION 4. Emergency clause.