

BILL ANALYSIS

Senate Research Center
77R11169 JXC-D

S.C.R. 45
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Business & Commerce
4/23/2001
As Filed

DIGEST

Currently, state law requires motorists, as a condition of operating a motor vehicle, to have established a level of financial responsibility in one of several ways, the most common being the purchase of a motor vehicle liability insurance policy that meets certain requirements. The law also requires motorists to provide evidence of financial responsibility under certain circumstances. Although a sharp decrease in the number of uninsured motorists resulted immediately after passage of current law, the number has increased since then, returning close to previous levels. It is estimated by the Texas Department of Insurance that between 17 and 26 percent of Texas drivers do not carry the requisite insurance, often due to affordability or the ability to purchase insurance. Some uninsured motorists circumvent the law by producing fraudulent documentation when required to provide evidence of insurance.

PURPOSE

As proposed, S.C.R. 45 directs the Texas Department of Insurance (TDI) to initiate an interim study in cooperation with key agencies, such as the Texas Department of Public Safety, to research and develop an economically feasible insurance verification system that will focus on the detection, investigation, and prosecution of motorists who falsify a standard of proof motor vehicle liability insurance form. Sets forth certain proposed guidelines for the insurance verification system. Requires TDI and other involved agencies to present a complete report, not later than January 1, 2003, of facts and findings to the house and senate committees having primary jurisdiction over insurance. Requires the secretary of state to forward an official copy of this resolution to the commissioner of insurance.