

TexasSure

Bringing Insurance Verification
Into the 21st Century

Texas Municipal Courts Education Center

2008-2009 Academic Year

Session Learning Objectives:

By the end of the session, participants should be able to:

- Answer nine general questions relating to TexasSure;
- Describe the source and type of information that will be contained in the TexasSure database;
- List what members of law enforcement will have access to TexasSure; and,
- Explain the possible implication of TexasSure on the adjudication of criminal offenses.

What is TEXASSURE?

TexasSure is a new vehicle insurance verification system that will ultimately allow law enforcement, county tax officials and vehicle inspectors to confirm whether a vehicle in Texas has required personal auto liability insurance coverage.

What is TexasSure supposed to do?

TexasSure will help reduce the number of uninsured vehicles in Texas. It is expected to help stop the actions some motorists take to avoid the law, such as using counterfeit proof of insurance cards or obtaining insurance to get a card and then promptly canceling the policy once they've renewed their car registration or had their vehicle inspected.

When did TexasSure begin operations?

Extensive testing has been completed by the Department of Public Safety (DPS) and the Texas Department of Transportation (TxDOT). TxDOT implemented the program in all Tax Assessor Collector offices in June 2008 for registration purposes while DPS implemented the program statewide on October 1, 2008 for law enforcement use.

How does TexasSure benefit drivers?

TexasSure helps Texans by reducing the number of uninsured vehicles. Estimates are that law-abiding motorists pay almost \$1 billion in extra costs in insurance premiums every year to protect themselves against the millions of drivers in Texas who don't have car insurance or who are underinsured. Research shows insured drivers strongly support any effort to keep uninsured drivers off the road.

How Many uninsured vehicles are there in Texas?

It is estimated that one in five Texas vehicles is uninsured. That's nearly 4 million cars without insurance or about 20 percent of all vehicles in Texas. In some areas of the state, the concentration of uninsured vehicles may be even higher.

Do other states have programs like this?

More than 30 other states have some type of auto insurance verification program. Some states have programs similar to what we have in Texas, but none are exactly the same. Some states have a simple random sample method where letters are sent to owners of registered vehicles asking them to verify insurance. Other states verify insurance after a transaction has taken place, such as vehicle registration.

What happened in other states with programs like this?

Every state that instituted some type of auto verification program has seen a reduction in the number of uninsured vehicles.

Who is behind TexasSure?

Getting uninsured motorists off the road is a collaborative effort. The TexasSure vehicle insurance verification database is a joint project of the Texas Department of Insurance (TDI), Texas Department of Transportation (TxDOT), Texas Department of Public Safety (DPS) and Texas Department of Information Resources (DIR). The Legislature named TDI as the lead agency, giving it primary responsibility for the project.

How much is TexasSure going to cost the State? How is it funded?

The initial cost of the program is roughly \$7 million. The money comes from a portion of the \$1 fee that drivers pay when they apply for or renew their motor vehicle registration.

***What information is included in the database?
Do drivers have access to the database?***

The TexasSure database includes vehicle registration information – such as vehicle identification number (VIN), owner name and address, and make, model and year – and insurance policy information – such as address, insured drivers, insurance company name and policy effective dates. No, only authorized users have access to the database.

How will TexasSure obtain vehicle insurance information?

- Every week, insurers provide their policyholders' auto insurance information to TexasSure
- This information is matched to state driver license and motor vehicle records.
- If a match of insurance and state records cannot be found, the registered owner will be contacted to help identify and correct the problem. (Less than 1% of all reported insurance policies can't be matched in the TexasSure program.)

Electronic Verification

The electronic TexasSure system will automatically check whether your vehicle is properly insured each time you register or renew your vehicle registration or have an inquiry by law enforcement. The system also will do periodic checks of the database to make sure vehicle owners have not dropped their insurance coverage.

What about personal information?

- The operator of a motor vehicle on Texas roads and highways shall carry and present, upon request by a law enforcement officer or person with whom they are involved in an accident, proof of financial responsibility.
- Texas law requires every driver to carry minimum liability insurance coverage or other financial responsibility. Proof of insurance is required for annual vehicle inspections, vehicle registrations, and some driver license transactions.
- While the TexasSure program will provide accurate and timely electronic verification of insurance, the driver of a motor vehicle must continue to carry proof of insurance or financial responsibility.

What are the current requirements for auto liability in Texas?

- As of April 1, 2008, Texas law, under Transportation Code §601.072, requires minimum coverage of \$25,000 per injured person, up to a total of \$50,000 for everyone injured in an accident, and \$25,000 for property damage. This basic coverage is called 25/50/25 coverage.
- These limits will increase to 30/60/25 on January 1, 2011.

What about information privacy and security?

- There is no general right to privacy regarding whether or not insurance coverage is in effect for a particular vehicle or driver.
- Personal information however is protected by the Federal Driver Privacy Protection Act and other Texas regulations. Personal information will not be used by TexasSure for any purpose other than verifying that each driver has auto insurance meeting the state-required minimums for coverage.

Who are the authorized users of the TexasSure database?

- At this time, access is limited to law enforcement and vehicle registration offices as these entities are vital in helping reduce the number of uninsured vehicles.
- Individuals WILL NOT have access to the TexasSure database.
- Courts WILL NOT have access to the database.

Can a driver access the TexasSure Database to make sure they are included?

- Answer: NO
- A driver or owner may contact their own insurance agent or insurance company to determine whether the information they have on you is accurate and correct. Even though it may be their own information, they may not access the TexasSure database.

***The Only entities allowed to access the
TexasSure database are:***

- Texas Department of Public Safety
- Recognized state or local Police or law enforcement agencies
- Vehicle Registration Offices

If a vehicle is sold, does the owner need to notify the state about the transfer of title?

- **Yes.** If an owner sells a vehicle or no longer owns it, the owner might want to protect themselves by submitting a VTR Form-346 or vehicle transfer notification to the Texas Department of Transportation within 30 days of the sale date. This form must be submitted whether the vehicle is sold or traded and must be done within 30 days. In this way, the driver will not held responsible for parking tickets, toll charges and other violations associated with the vehicle after the date of sale.
- The owner will also need to notify their insurance company that they no longer own the vehicle.

Will TexasSure also verify my spouse's insurance?

Yes. So long as that spouse is also listed on the policy. However, it is best that the spouse provide a proof of insurance card as it may be needed to verify insurance if each spouse have different names and/or addresses.