

**RESOLUTION**

**Require insurance firms to report canceled or expired liability auto insurance**

A RESOLUTION: To require insurance firms to report canceled or expired liability auto insurance to the Department of Public Safety.

WHEREAS, The mandatory insurance law instituted in 1981 was supposed to lower the cost of coverage that protects policyholders from losses caused by uninsured motorists. The cost has increased by about fifty per cent over the past three years in most of Texas, according to State Guidelines for insurance rates, and

WHEREAS, When an accident occurs with an uninsured motorist, the insured individual has to pay their deductible using their own insurance which causes an increase of their premium. This becomes costly for those who are low income earners and for those who are on fixed incomes. Those who obey the law are being penalized financially for those who do not, and

WHEREAS, To renew a driver's license, vehicle registration, or auto inspection, one must show proof of insurance, but there are some consumers buying insurance for one or six months, then either canceling it or letting it expire by not paying the premiums; now, therefore, be it

RESOLVED, That the 11<sup>th</sup> Texas Silver-Haired Legislature encourage and strongly recommend that the 80th Texas Legislature declare a policy to curtail insurance fraud by requiring insurance firms to report to the Department of Public Safety when a policy is cancelled or expires.

PASSED AND APPROVED this 13<sup>th</sup> day of September, 2006, by  
the Insurance Committee.

---

A. G. Hinojosa, Sr., Chair

PASSED AND APPROVED this 14<sup>th</sup> day of September, 2006, by  
the Texas Silver-Haired Legislature.

---

Charlotte Parks, Speaker

ATTEST:

---

Carlos Higgins, Secretary