

SENATE BILL REPORT

SB 5424

As of January 30, 1995

Title: An act relating to the use of driving records by insurers.

Brief Description: Restricting the use of driving records for insurance purposes.

Sponsors: Senators Kohl, Pelz, Fairley and Prentice; by request of Insurance Commissioner.

Brief History:

Committee Activity: Financial Institutions & Housing: 1/31/95.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Staff: Catherine Mele (786-7470)

Background: In September 1993, the Insurance Commissioner assembled a task force of her staff to review private passenger auto insurance issues in Washington. The task force held various meetings with members of the insurance industry, members of the trial bar, and other public members interested in auto insurance issues.

The task force issued a report in October 1994 which recommended that the Insurance Commissioner hold hearings to listen to consumers' views regarding auto insurance. These hearings were held in various locations across Washington State in October of 1994.

A driving abstract is a record maintained by the Department of Licensing that shows a person's driving record. The driving abstract shows for a three-year period all driving-related convictions, infractions, and accidents. While the driving record does not determine fault, it records whether a vehicle is moving or parked at the time of an accident, and whether there were injuries or fatalities because of an accident.

Under current law an insurer may not use a driving abstract to cancel, fail to renew, deny or increase a driver's insurance rates. However, the insurer may take such actions if it is determined that the driver was at fault in the accident. The Department of Licensing enforces the laws regarding driving abstracts.

There are concerns that policies of drivers who are involved in not-at-fault accidents are canceled, not renewed, denied, or are subject to rate increases based on information contained in their driving abstract.

Summary of Bill: A new section is added to the Insurance Code which allows the Insurance Commissioner to disallow the use of driving abstracts by insurers when it is not determined that an insured is at fault.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.