

Date of Hearing: April 13, 2015

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 933 (Frazier) – As Amended April 7, 2015

**SUBJECT:** Vehicles: DMV records

**SUMMARY:** Clarifies that a person who is providing their driver's license number to an insurer, insurance licensee, employer, or prospective employer is presumed to have consented for the number to be used to obtain and transmit the person's motor vehicle record (MVR) for purposes of obtaining insurance, as specified.

**EXISTING LAW:**

- 1) Provides certain information of a person's MVR held by the Department of Motor Vehicles (DMV), including abstracts of convictions and accidents, is to be available for public inspection, as specified.
- 2) Prohibits DMV from furnishing to any person information from an MVR that would be in violation of disclosure requirements detailed in the federal Fair Credit Reporting Act.
- 3) Affords confidentiality for the home addresses of all individuals contained within DMV records. These provisions allow for disclosure of this information to courts, law enforcement agencies, and other governmental agencies but also allow for limited disclosure to financial institutions, insurance companies, attorneys, vehicle manufacturers, and persons doing statistical research.
- 4) Requires any person or agent of a person who has access to DMV-related confidential or restricted information to establish procedures to protect the confidentiality of that information, as specified.
- 5) Defines an insurance agent as a person who transacts insurance, other than life, disability, or health insurance, on behalf of an admitted insurance company.

**FISCAL EFFECT:** Unknown

**COMMENTS:** Independent insurance agents typically represent a number of [insurance companies](#), or "carriers", and sell insurance products that most appropriately meet the needs of their clients. Independent insurance agents are [independent contractors](#) for the insurance companies they represent. Thus, several companies may authorize the agent to sell for them, but the agent remains an independent businessperson. This business model allows the independent insurance agent to review many quotes and offer their clients the best policy options available.

In order to obtain a personal or commercial insurance policy, an independent agent will provide an insurance company's underwriters with a copy of an applicant's MVR. On top of other documentation provided by the applicant, the MVR will be used to **determine the risk in insuring the applicant**. Specifically, the type of MVR (otherwise known as a "basic record") an

independent agent requests does not contain any personal information, rather only provides the following information relative to the applicant's driving history:

- 1) Suspensions, revocations, and cancellations of a driver's license.
- 2) Driver's license class.
- 3) Special driver's license endorsements.
- 4) Any driver's license restrictions.
- 5) Traffic citations.
- 6) Vehicular crimes.
- 7) Accident reports.
- 8) Driving record points.
- 9) DUI convictions.

Ultimately, the insurance agent may provide an MVR to several insurance underwriters prior to an applicant selecting the policy that best meets their needs.

The author introduced this bill on behalf of the sponsor to address an inconsistency in state law. Last year, DMV auditors determined that while licensed independent insurance agents had the authority to obtain an applicant's MVR, they did not have the authority to then submit the MVR to multiple insurance underwriters under the applicant's original consent to the independent insurance agent. As a result, DMV auditor's notified a number of independent insurance agents that their authority to obtain MVRs could be revoked.

This bill aims to provide the necessary clarification to existing law to ensure an independent insurance agent seeking personal or commercial insurance on behalf of an applicant has the ability to provide the applicant's MVR to the appropriate insurance companies. The author notes, "this is a common sense measure to provide the necessary clarification in existing law to allow the insurance industry to carry on with their standard industry practices and also ensure an applicant is not burdened with signing multiple and redundant disclosure forms."

*Double-referral:* This bill will be referred to the Assembly Insurance Committee should it pass out of this committee.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Independent Insurance Agents and Brokers of California

**Opposition**

None on file

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