

By: Burnam

H.B. No. 118

A BILL TO BE ENTITLED

AN ACT

relating to access to motor vehicle insurance coverage for good drivers; providing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Article 21.49-2B, Insurance Code, is amended to read as follows:

Art. 21.49-2B. AVAILABILITY, CANCELLATION, AND NONRENEWAL OF CERTAIN PROPERTY AND CASUALTY POLICIES

SECTION 2. Article 21.49-2B, Insurance Code, is amended by adding Section 4A to read as follows:

Sec. 4A. COVERAGE FOR GOOD DRIVERS. (a) In this section:

(1) "Good driver" means an individual who:

(A) has been licensed for at least three years to drive the type of motor vehicle to be insured;

(B) during the previous three years, has not:

(i) been substantially at fault in a motor vehicle accident that resulted in bodily injury, death, or property damage;

(ii) been convicted of a violation of a traffic safety regulation that involved a moving vehicle;

(iii) had more than one dismissal of a charge under Subchapter B, Chapter 543, Transportation Code; and

(iv) been convicted of an offense under Section 49.04, Penal Code, or Section 106.041, Alcoholic Beverage

1 Code; and

2 (C) has never made a fraudulent insurance claim.

3 (2) "Traffic safety regulation" means a law or
4 ordinance of this state or a political subdivision of this state
5 relating to the operation of a motor vehicle other than a regulation
6 relating to the conduct of a pedestrian or the parking of a motor
7 vehicle.

8 (b) Except as otherwise provided by this article, a motor
9 vehicle insurer may not cancel, nonrenew, or refuse to offer a
10 policy of motor vehicle insurance to a good driver.

11 (c) At least 30 days before the date a motor vehicle insurer
12 who does not offer a policy regulated by Article 5.101 of this code
13 is required to renew a policy under which a good driver is an
14 insured, or on application for a policy by an individual who
15 qualifies as a good driver, the motor vehicle insurer shall provide
16 to the named insured or applicant a notice, in the form prescribed
17 by the commissioner, that includes:

18 (1) an explanation of the different types of motor
19 vehicle insurance companies in this state and the manner in which
20 the rates for the policies of those insurance companies are subject
21 to regulation under this code;

22 (2) a list of the affiliates of that insurer who offer
23 a policy regulated under Article 5.101 of this code; and

24 (3) other information the commissioner by rule
25 requires.

26 (d) A violation of this section is an unfair and deceptive
27 practice in the business of insurance under Article 21.21 of this

1 code. Compliance with this section does not create an exemption
2 from Article 21.21-6 of this code, as added by Chapter 415, Acts of
3 the 74th Legislature, Regular Session, 1995.

4 SECTION 3. Article 21.49-2B, Insurance Code, as amended by
5 this Act, applies only to an insurance policy delivered, issued for
6 delivery, or renewed on or after January 1, 2004. A policy
7 delivered, issued for delivery, or renewed before January 1, 2004,
8 is governed by the law as it existed immediately before the
9 effective date of this Act, and that law is continued in effect for
10 that purpose.

11 SECTION 4. This Act takes effect September 1, 2003.