

By: Flores

H.B. No. 1623

A BILL TO BE ENTITLED

AN ACT

relating to motor vehicle insurance premium discounts for certain individuals on active military duty.

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

SECTION 1. Subchapter A, Chapter 5, Insurance Code, is amended by adding Article 5.03-6 to read as follows:

Art. 5.03-6. PREMIUM DISCOUNT FOR UNITED STATES ARMED FORCES PERSONNEL

Sec. 1. DEFINITIONS. In this article:

(1) "Applicant" means an individual who applies under this article for a discount in motor vehicle insurance premiums.

(2) "Insurer" means an insurance company, interinsurance exchange, mutual, capital stock company, fraternal benefit society, local mutual aid association, county mutual, reciprocal, association, Lloyd's plan insurer, or other entity writing motor vehicle insurance in this state. The term includes an affiliate, as defined by Section 2, Article 21.49-1, of this code.

(3) "Motor vehicle" means any private passenger vehicle that:

(A) is registered in a state; and

(B) has a gross weight of 25,000 pounds or less.

Sec. 2. DISCOUNT AUTHORIZED; ELIGIBILITY CONDITIONS FOR DRIVERS. (a) An insurer who delivers or issues for delivery in this state a motor vehicle insurance policy, on receipt of written

1 verification from the insured that the insured or a family member
2 covered by the policy is eligible under Subsection (b) of this
3 section, may grant a discount in the amount provided by Subsection
4 (f) of this section in the premiums charged for the liability,
5 medical payments, personal injury protection, and collision
6 coverage only for the motor vehicle designated to be driven by the
7 eligible individual.

8 (b) To be eligible for the discount authorized under
9 Subsection (a) of this section, an applicant must:

10 (1) be licensed to drive in a state;

11 (2) be on active duty in the United State armed forces
12 or be the spouse of an individual on active duty in the United
13 States armed forces;

14 (3) have held a driver's license for at least three
15 years on the date the application is filed;

16 (4) have not, during the three years preceding the
17 date of the application, been convicted of violating a law or
18 ordinance of a state or a political subdivision of a state relating
19 to the operation of a moving motor vehicle; and

20 (5) have not, during the three years preceding the
21 date of the application, been found at fault in a motor vehicle
22 accident.

23 (c) An applicant is not eligible to receive a discount under
24 this article if the applicant has been convicted of an offense
25 relating to the operation of a motor vehicle under:

26 (1) Chapter 49, Penal Code;

27 (2) Article 67011-1, Revised Statutes, as that statute

1 existed before repeal by Chapter 900, Acts of the 73rd Legislature,
2 Regular Session, 1993, or Section 19.05, Penal Code, as that
3 statute existed before amendment by Chapter 900, Acts of the 73rd
4 Legislature, Regular Session, 1993; or

5 (3) another state's statute similar to a statute
6 described by Subdivision (1) or (2) of this subsection.

7 (d) For purposes of Subsections (b) and (c) of this section,
8 an applicant is considered to have been convicted in a case if:

9 (1) a sentence is imposed; or

10 (2) the applicant receives community supervision or
11 analogous treatment under the law of another state.

12 (e) The commissioner by rule may establish additional
13 requirements for receipt of a discount under this article.

14 (f) The commissioner by rule shall set the amount of the
15 discount applicable under this article and may adopt other rules
16 necessary for the implementation of this article.

17 Sec. 3. INELIGIBILITY; REVOCATION OF DISCOUNT. (a) An
18 individual may not continue to receive a discount under this
19 article after the first date on which the individual fails to
20 satisfy the requirements of Section 2 of this article unless the
21 individual reestablishes eligibility under this article.

22 (b) An insurer shall revoke a discount under this article if
23 an applicant for the discount knowingly provides false information
24 in or with the application.

25 SECTION 2. This Act applies only to a motor vehicle
26 insurance policy that is delivered, issued for delivery, or renewed
27 on or after January 1, 2004. A policy that is delivered, issued for

1 delivery, or renewed before January 1, 2004, is governed by the law
2 as it existed immediately before the effective date of this Act, and
3 that law is continued in effect for that purpose.

4 SECTION 3. This Act takes effect September 1, 2003.