

By: Taylor

H.B. No. 2739

A BILL TO BE ENTITLED

AN ACT

relating to authorizing premium discounts for certain motor vehicle insurance policies.

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 CERTAIN SAFETY BELT WARNING SYSTEMS

Sec. 1. DEFINITIONS. In this article:

(1) "Insurer" means an insurance company, reciprocal or interinsurance exchange, mutual, capital stock company, fraternal benefit society, local mutual aid association, county mutual insurance company, association, Lloyd's plan, or other entity writing motor vehicle insurance in this state. The term includes a company affiliated with an insurer.

(2) "Motor vehicle" means any private passenger or commercial motor vehicle that:

(A) is registered in this state; and

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

(3) "Safety belt warning system" means any device installed in a motor vehicle that:

(A) is activated when a passenger in the motor vehicle is not secured by the passenger's safety belt;

(B) cannot be deactivated unless all passengers

1 in the motor vehicle are secured by a safety belt; and

2 (C) warns the driver of the motor vehicle that a
3 passenger in the vehicle is not secured by the passenger's safety
4 belt by:

5 (i) making a distinct audible sound or
6 noise;

7 (ii) preventing the motor vehicle from
8 starting; or

9 (iii) disabling an electronic component of
10 the motor vehicle.

11 Sec. 2. DISCOUNT AUTHORIZED. (a) An insurer who delivers
12 or issues for delivery in this state a motor vehicle insurance
13 policy may grant a discount in the amount provided by Subsection (c)
14 in the premiums charged for the liability, medical payments, and
15 personal injury protection coverage for a motor vehicle equipped
16 with a safety belt warning system.

17 (b) To be eligible for a discount under this article, an
18 applicant for a discount must file with the insurer a written
19 document that presents evidence satisfactory to establish that the
20 motor vehicle is equipped with a safety belt warning system.

21 Acceptable documents for filing include:

22 (1) a copy of that section of the owner's manual for
23 the motor vehicle that describes the safety belt warning system and
24 how the safety belt warning system operates;

25 (2) a copy of the owner's manual for a safety belt
26 warning system purchased separately from the motor vehicle
27 accompanied by a receipt or invoice reflecting installation of the

1 safety belt warning system; or

2 (3) any other written document that establishes that
3 the motor vehicle is equipped with a safety belt warning system.

4 (c) The commissioner by rule shall set the amount of the
5 discounts applicable under this article and may adopt other rules
6 necessary for the implementation of this article.

7 Sec. 3. INELIGIBILITY; REVOCATION OF DISCOUNT. (a) A
8 person may not continue to receive a discount under this article
9 after the person is convicted of an offense under Section 545.412 or
10 545.413, Transportation Code.

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

14 SECTION 2. This Act takes effect September 1, 2003, and
15 applies only to a motor vehicle insurance policy that is delivered,
16 issued for delivery, or renewed after January 1, 2004. A motor
17 vehicle insurance policy that is delivered, issued for delivery, or
18 renewed before January 1, 2004, is governed by the law as it existed
19 immediately before the effective date of this Act, and the former
20 law is continued in effect for that purpose.