

By: Ellis

S.B. No. 226

A BILL TO BE ENTITLED

AN ACT

1
2 relating to remedies for certain past discriminatory practices by
3 legal entities engaged in the business of insurance.

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

5 SECTION 1. Article 21.21-6, Insurance Code, as added by
6 Chapter 415, Acts of the 74th Legislature, Regular Session, 1995,
7 is amended by adding Section 6 to read as follows:

8 Sec. 6. DISCRIMINATORY PRICING: PROHIBITION ON COLLECTION OF
9 PREMIUMS. (a) The commissioner shall investigate the extent to
10 which premiums charged for and benefits provided under insurance
11 policies issued in this state and in force are inequitable as a
12 result of race-based practices by insurers in effect at the time the
13 policies were first issued.

14 (b) If the commissioner determines that premiums charged
15 for or benefits provided under an insurance policy are inequitable
16 as a result of race-based practices by an insurer in effect at the
17 time the policies were first issued, the commissioner, after notice
18 and a hearing, may order that an insurer who issued or has acquired
19 the policy be prohibited from collecting a premium on those
20 policies, regardless of whether the insurer has ceased to engage in
21 those practices.

22 SECTION 2. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this

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1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2003.