

By: Thompson

H.B. No. 2570

A BILL TO BE ENTITLED

AN ACT

relating to violation surcharges in automobile insurance rating plans.

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

SECTION 1. Title 1, Article 5.01-1, Insurance Code, is amended to read as follows:

Art. 5.01-1. PREMIUM RATING PLANS.

(a) A rating plan respecting the writing of automobile ~~[motor vehicle]~~ insurance, other than insurance written pursuant to Chapter 2151 ~~[Section 35 of the Texas Motor Vehicle Safety-Responsibility Act (Article 6701h, Vernon's Texas Civil Statutes)]~~, may ~~[not]~~ assign a rate consequence to a ~~[charge or]~~ conviction~~[7]~~ or otherwise cause premiums for automobile ~~[motor vehicle]~~ insurance to be increased because of a ~~[charge or]~~ conviction for a violation of Subtitle C, Title 7, Transportation Code ~~[the Uniform Act Regulating Traffic on Highways, as amended (Article 6701d, Vernon's Texas Civil Statutes)]~~.

(b) The application of subsection (a) may not result in an adverse rate consequence or otherwise cause premiums for automobile insurance to be increased for insureds who do not have a conviction for a violation of Subtitle C, Title 7, Transportation Code.

SECTION 2. This Act applies to an automobile insurance policy that is delivered, issued for delivery, or renewed on or after the effective date of this Act. An automobile insurance

1 policy that is delivered, issued for delivery, or renewed prior to  
2 the effective date of this Act is governed by the law as it existed  
3 immediately before the effective date of this Act, and that law is  
4 continued in effect for that purpose.

5 SECTION 3. This Act takes effect immediately if it receives  
6 a vote of two-thirds of all the members elected to each house, as  
7 provided by Section 39, Article III, Texas Constitution. If this  
8 Act does not receive the vote necessary for immediate effect, this  
9 Act takes effect September 1, 2007.