

By: Van de Putte

S.B. No. 1432

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, including ~~[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 ~~[any]~~ to a ~~[charge or]~~ conviction~~[,]~~ 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 insured 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

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

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