

A BILL TO BE ENTITLED

AN ACT

relating to premium discounts for certain vehicles equipped with a tracking system.

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

SECTION 1. Subtitle C, Title 10, Insurance Code, is amended by adding Chapter 1954 to read as follows:

CHAPTER 1954. PREMIUM DISCOUNTS FOR AUTOMOBILE INSURANCE COVERAGE

Sec. 1954.001. DEFINITIONS. In this chapter:

(1) "Applicant" includes:

(A) an applicant for new insurance coverage; and

(B) a policyholder renewing insurance coverage.

(2) "Comprehensive coverage" means automobile insurance coverage that covers the cost of replacing or repairing a motor vehicle if the vehicle is stolen or damaged by fire, vandalism, hail, or a cause other than a collision.

(3) "Insurer" means an insurance company, reciprocal or interinsurance exchange, mutual insurance company, capital stock insurance company, county mutual insurance company, Lloyd's plan, or other legal entity authorized to write automobile insurance in this state. The term includes an affiliate, as described by this code, that is authorized to write and is writing automobile insurance in this state.

(4) "Tracking system" means an electronic monitoring system, global positioning satellite system, or other appropriate

1 technological system that is designed to track the location of a
2 motor vehicle.

3 Sec. 1954.002. REQUIRED PREMIUM DISCOUNT. (a) In
4 accordance with the rules adopted by the commissioner under this
5 chapter, an insurer shall grant to an applicant a discount in the
6 applicant's automobile insurance premiums for comprehensive
7 coverage for a motor vehicle equipped with a tracking system that is
8 designed to assist in the recovery of stolen vehicles. The insurer
9 shall grant the discount on receipt of written verification from
10 the applicant that the vehicle is equipped with such a system.

11 (b) The commissioner by rule shall prescribe the
12 requirements for determining that a motor vehicle is equipped with
13 an appropriate tracking system.

14 (c) Verification under this section must comply with the
15 requirements prescribed by the commissioner.

16 Sec. 1954.003. VEHICLE INSPECTION. (a) If determined
17 necessary by the commissioner, the rules adopted under this chapter
18 may require an inspection of the vehicle to be insured to ensure
19 that the vehicle is equipped with an appropriate tracking system.

20 (b) The applicant shall pay the costs of an inspection
21 required under this section.

22 Sec. 1954.004. PREMIUM DISCOUNT; EXCEPTION. (a) The
23 commissioner by rule shall establish the premium discount under
24 this chapter based on sound actuarial principles.

25 (b) The commissioner may approve a premium discount greater
26 or less than the discount established by rule under Subsection (a)
27 if:

1 (1) the insurer files the proposed discount with the
2 department; and

3 (2) the commissioner determines that the proposed
4 discount is actuarially justified.

5 Sec. 1954.005. GENERAL RULEMAKING AUTHORITY. The
6 commissioner may adopt rules as necessary to implement this chapter
7 in addition to other rules specifically required to be adopted
8 under this chapter.

9 SECTION 2. The commissioner of insurance shall adopt rules
10 as required by Chapter 1954, Insurance Code, as added by this Act,
11 not later than December 1, 2009.

12 SECTION 3. This Act applies only to an automobile insurance
13 policy delivered, issued for delivery, or renewed on or after
14 January 1, 2010. A policy delivered, issued for delivery, or
15 renewed before January 1, 2010, is governed by the law as it existed
16 immediately before the effective date of this Act, and that law is
17 continued in effect for that purpose.

18 SECTION 4. This Act takes effect September 1, 2009.