

## **BILL ANALYSIS**

Senate Research Center

S.B. 1141  
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Economic Development  
4-29-97  
As Filed

### **DIGEST**

Currently, Texas law does not provide standards for a good driver for purposes of issuing an auto insurance policy. In some instances, consumers with good driving records may pay more for auto insurance because they live in certain areas. This bill will provide regulations regarding the declination, cancellation, or nonrenewal of certain insurance coverage.

### **PURPOSE**

As proposed, S.B. 1141 provides regulations regarding the declination, cancellation, or nonrenewal of certain insurance coverage.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the heading of Article 21.49-2B, Insurance Code, as follows:

Art. 21.49-2B. New heading: AVAILABILITY, CANCELLATION, AND NONRENEWAL  
OF CERTAIN PROPERTY AND CASUALTY POLICIES

SECTION 2. Amends Article 21.49-2B, Insurance Code, by adding Section 4A, as follows:

Sec. 4A. GOOD DRIVER. Prohibits a motor vehicle insurer from cancelling, nonrenewing, or refusing to offer a policy of motor vehicle insurance to a good driver, except as otherwise provided by this article. Defines "good driver." Provides that a violation of this section is an unfair and deceptive practice in the business of insurance under Article 21.21 of this code. Provides that compliance with this section does not create an exemption from Article 21.21-6 of this code or other requirements. Defines "traffic safety regulation."

SECTION 3. Amends Section 9, Article 21.49-2B, Insurance Code, to delete a clause requiring an insurer to provide a written statement of the reason for a cancellation or nonrenewal of or determination not to issue a policy only if requested by the insured or an applicant for insurance.

SECTION 4. Effective date: September 1, 1997.  
Makes application of this Act prospective to January 1, 1998.

SECTION 5. Emergency clause.