

## BILL ANALYSIS

Senate Research Center  
77R11735 AJA-D

H.B. 2932  
By: Lewis, Glenn (Carona)  
Business & Commerce  
5/10/2001  
Engrossed

### DIGEST AND PURPOSE

Under current law, an insurance company may charge a surcharge on premiums for vehicle insurance if the insured has been convicted of driving while intoxicated, intoxication assault, or intoxication manslaughter. H.B. 2932 authorizes an insurer to reduce the premium surcharge by up to 50 percent for an insured convicted of such an offense whose insured motor vehicle is equipped with a motor vehicle ignition interlock device.

### RULEMAKING AUTHORITY

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

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 5.03-1, Insurance Code, as follows:

#### Art. 5.03-1. PREMIUM SURCHARGE

Sec. 1. New heading: SURCHARGE AUTHORIZED. Requires a premium surcharge in an amount to be prescribed by the commissioner, rather than the State Board of Insurance, to be assessed by an insurer described by Article 5.01 of this code against an insured for no more than three years immediately following the date of conviction of the insured of an offense committed while operating a motor vehicle under Section 49.04 or 49.07, Penal Code, or an offense under Section 49.08, Penal Code. Requires the premium surcharge to be applied only to private passenger automobile policies as defined by the commissioner, rather than the State Board of Insurance. Makes a conforming change.

Sec. 2. New heading: SUBSEQUENT CONVICTION. Provides that if an insured assessed a premium surcharge as a result of a conviction of an offense described by Section 1 of this article is subsequently convicted of one of those offenses, rather than statutes, during the period the insured is assessed the premium surcharge, the period for which the premium surcharge shall be imposed is increased by three additional consecutive years for each conviction. Makes conforming and nonsubstantive changes.

Sec. 3. SURCHARGE REDUCTION AUTHORIZED. (a) Defines "motor vehicle ignition interlock device."

(b) Authorizes an insurer to reduce the premium surcharge prescribed under this article by up to 50 percent for an insured whose insured motor vehicle is equipped with a motor vehicle ignition interlock device as required by a court order following the insured's conviction of an offense described by Section 1 of this article. Provides that the insured is entitled to a discount under this section only for the period that the vehicle is equipped with the device.

(c) Authorizes an insurer to endorse a policy to restrict coverage under the policy to the motor vehicle that is equipped with a motor vehicle ignition interlock device.

SECTION 2. Effective date: September 1, 2001.