

## **BILL ANALYSIS**

Senate Research Center  
78R5330 AJA-D

S.B. 1061  
By: Ellis, Rodney  
State Affairs  
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As Filed

### **DIGEST AND PURPOSE**

Currently, although charging discriminatory premiums on certain insurance policies is illegal, some insurers continue to charge race-based premiums for policies sold before the practice was stopped in the 1960s and 1970s. As proposed, S.B. 1061 gives state regulators and law enforcement officers more tools to end the practice. It specifically makes the offer of sale, sale, or continued collection of premiums on discriminatory insurance policies a state jail felony.

### **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 21.21-6, Insurance Code, by adding Section 6, as follows:

Sec. 6. CRIMINAL PENALTY. (a) Defines "person."

(b) Provides that a person commits an offense if the person, with criminal negligence, offers insurance coverage at a premium based on a rate that is, because of race, color, religion, or national origin, different than another premium rate offered or used by the person for the same coverage; or collects an insurance premium based on a rate that is, because of race, color, religion, or national origin, different than another premium rate offered or used by the person for the same coverage.

(c) Provides that an offense under this section is a state jail felony.

SECTION 2. Effective date: upon passage or September 1, 2003.