

## **BILL ANALYSIS**

C.S.H.B. 124  
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Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Fraud drives up premiums for all policyholders. Because jewelry is easy to dispose of and exchange for cash, insurance companies are reluctant to write policies for cash value. Therefore, such policies are difficult to obtain and are expensive. C.S.H.B. 124 gives an insurer that provides personal property insurance coverage the option to replace a jewelry item with one of like kind and quality.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 124 amends the Insurance Code to provide that an insurer who provides personal property insurance coverage for jewelry will have the option to elect either to pay the stated value or actual replacement of the jewelry item with one of like kind and quality.

The bill requires the Commissioner of Insurance (Commissioner) to adopt, not later than December 31, 2003, any policy forms and endorsements necessary to implement the Act.

### **EFFECTIVE DATE**

September 1, 2003.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 124 modifies the original by clarifying that an insurer has the option to replace a jewelry item with one of like kind and quality.