

By: Burnam

H.B. No. 124

A BILL TO BE ENTITLED

AN ACT

relating to property insurance coverage for certain jewelry.

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

SECTION 1. Subchapter C, Chapter 5, Insurance Code, is amended by adding Article 5.35-2 to read as follows:

Art. 5.35-2. JEWELRY COVERAGE

Sec. 1. DEFINITION. In this article, "personal property insurance" means insurance against damage to or loss of tangible personal property, including coverage provided in a homeowners policy, residential fire and allied lines policy, or farm and ranch owners policy.

Sec. 2. APPLICABILITY. This article applies to each insurer that provides personal property insurance in this state, including a county mutual insurer, farm mutual insurer, Lloyd's plan, or reciprocal or interinsurance exchange.

Sec. 3. ELECTION OF STATED VALUE OR ACTUAL REPLACEMENT OF THE JEWELRY ITEM WITH ONE OF LIKE KIND AND QUALITY. An insurer that provides personal property insurance coverage in this state 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.

SECTION 2. (a) This Act takes effect September 1, 2003, and applies only to an insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2004. A policy that

1 is delivered, issued for delivery, or renewed before January 1,
2 2004, is governed by the law as it existed immediately before the
3 effective date of this Act, and that law is continued in effect for
4 this purpose.

5 (b) Not later than December 31, 2003, the commissioner of
6 insurance shall, in accordance with Article 5.35, Insurance Code,
7 adopt any policy forms and endorsements necessary to implement
8 Article 5.35-2, Insurance Code, as added by this Act.