

1-1 By: Burnam (Senate Sponsor - Van de Putte) H.B. No. 124
1-2 (In the Senate - Received from the House May 19, 2003;
1-3 May 20, 2003, read first time and referred to Committee on Business
1-4 and Commerce; May 23, 2003, reported favorably by the following
1-5 vote: Yeas 9, Nays 0; May 23, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to property insurance coverage for certain jewelry.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Subchapter C, Chapter 5, Insurance Code, is
1-11 amended by adding Article 5.35-2 to read as follows:

1-12 Art. 5.35-2. JEWELRY COVERAGE

1-13 Sec. 1. DEFINITION. In this article, "personal property
1-14 insurance" means insurance against damage to or loss of tangible
1-15 personal property, including coverage provided in a homeowners
1-16 policy, residential fire and allied lines policy, or farm and ranch
1-17 owners policy.

1-18 Sec. 2. APPLICABILITY. This article applies to each insurer
1-19 that provides personal property insurance in this state, including
1-20 a county mutual insurer, farm mutual insurer, Lloyd's plan, or
1-21 reciprocal or interinsurance exchange.

1-22 Sec. 3. ELECTION OF STATED VALUE OR ACTUAL REPLACEMENT OF
1-23 THE JEWELRY ITEM WITH ONE OF LIKE KIND AND QUALITY. An insurer that
1-24 provides personal property insurance coverage in this state for
1-25 jewelry will have the option to elect either to pay the stated value
1-26 or actual replacement of the jewelry item with one of like kind and
1-27 quality.

1-28 SECTION 2. (a) This Act takes effect September 1, 2003,
1-29 and applies only to an insurance policy that is delivered, issued
1-30 for delivery, or renewed on or after January 1, 2004. A policy that
1-31 is delivered, issued for delivery, or renewed before January 1,
1-32 2004, is governed by the law as it existed immediately before the
1-33 effective date of this Act, and that law is continued in effect for
1-34 this purpose.

1-35 (b) Not later than December 31, 2003, the commissioner of
1-36 insurance shall, in accordance with Article 5.35, Insurance Code,
1-37 adopt any policy forms and endorsements necessary to implement
1-38 Article 5.35-2, Insurance Code, as added by this Act.

1-39 * * * * *