

By: Seaman

H.B. No. 241

A BILL TO BE ENTITLED

AN ACT

relating to notice of certain changes in residential property insurance coverage on renewal.

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

SECTION 1. Subchapter C, Chapter 5, Insurance Code, is amended to add Article 5.45 to read as follows:

Art. 5.45. NOTICE ON RENEWAL OF CERTAIN POLICIES. (a) An insurer, including a farm mutual insurance company, a county mutual insurance company, Lloyd's plan, or reciprocal or interinsurance exchange, that renews a policy of homeowners insurance, fire and residential allied lines insurance, farm and ranch owners insurance, or farm and ranch insurance must provide the policy holder with written notice of any difference in each form of the policy offered to the policy holder on renewal and the form of the policy held immediately before renewal.

(b) A notice provided under this article must be written in plain language.

(c) The commissioner may adopt rules as necessary to implement this article.

SECTION 2. This Act applies only to an insurance policy renewed on or after the 30th day after the effective date of this Act.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect September 1, 2003.