

By: Burnam

H.B. No. 962

A BILL TO BE ENTITLED

AN ACT

relating to cancellation of certain insurance policies.

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

SECTION 1. Section 4, Article 21.49-2B, Insurance Code, is amended by amending Subsection (i) and adding Subsection (j) to read as follows:

(i) Except as provided by Subsection (j) of this section, an
[An] insurer may cancel a personal automobile insurance policy if the policy [~~it~~] has been in effect less than 60 days. An insurer may cancel any other policy if the policy [~~it~~] has been in effect less than 90 days.

(j) An insurer may not cancel a policy under Subsection (i) of this section based on an accident or a loss under the policy that occurred on or after the first day that the policy was in effect unless:

(1) the accident results in or the loss is damages to property or for bodily injury in an amount that exceeds \$1,000 and the policyholder is 50 percent or more at fault for the accident or loss;

(2) the accident results in death; or

(3) the policyholder is charged under Section 49.031, 49.04, 49.07, or 49.08, Penal Code, in connection with the accident or loss.

SECTION 2. (a) This Act takes effect September 1, 2003.

1 (b) Article 21.49-2B, Insurance Code, as amended by this
2 Act, applies only to an insurance policy that is delivered, issued
3 for delivery, or renewed on or after January 1, 2004. A policy that
4 is delivered, issued for delivery, or renewed before January 1,
5 2004, is governed by the law as it existed immediately before the
6 effective date of this Act, and that law is continued in effect for
7 that purpose.