

By: Dukes

H.B. No. 979

A BILL TO BE ENTITLED

AN ACT

1
2 relating to property and casualty insurance coverage for certain
3 manufactured homes.

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

5 SECTION 1. Subchapter C, Chapter 5, Insurance Code, is
6 amended by adding Article 5.35-4 to read as follows:

7 Art. 5.35-4. COVERAGE FOR MANUFACTURED HOMES. (a) An
8 insurer, including a Lloyd's plan or a reciprocal or interinsurance
9 exchange, may not issue a residential fire insurance policy
10 providing coverage for damage to a manufactured home unless the
11 insurer first offers, and the applicant for coverage rejects in
12 writing, a comprehensive property and casualty insurance policy
13 issued in accordance with Article 5.35 of this code that provides at
14 least dwelling, personal property, liability, medical payment, and
15 loss of use coverages.

16 (b) A county mutual insurance company or a farm mutual
17 insurance company may not issue a residential fire insurance policy
18 providing coverage for damage to a manufactured home unless the
19 insurer first discloses in writing to the applicant for coverage
20 that a more comprehensive property and casualty insurance policy
21 may be available from another insurer.

22 (c) This article does not apply to renewal of an insurance
23 policy.

24 (d) The commissioner shall adopt rules to implement this

1 article, including rules prescribing the form of the written
2 rejection required by Subsection (a) of this article and the form of
3 the written disclosure required by Subsection (b) of this article.

4 SECTION 2. This Act takes effect September 1, 2003, and
5 applies only to an insurance policy that is delivered or issued for
6 delivery on or after January 1, 2004. A policy that is delivered or
7 issued for delivery before January 1, 2004, is governed by the law
8 as it existed immediately before the effective date of this Act, and
9 that law is continued in effect for that purpose.