

By: Jackson

S.B. No. 1350

A BILL TO BE ENTITLED

AN ACT

1
2 relating to settlement of certain liability claims under an auto
3 insurance policy.

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

5 SECTION 1. Article 5.07-1(g), Insurance Code, is amended to
6 read as follows:

7 (g) In the settlement of liability claims by a third party
8 against an insured for property damage claimed by the third party,
9 an insurer may not require the third-party claimant to have repairs
10 made by a particular repair person or facility or to use a
11 particular brand, type, kind, age, vendor, supplier, or condition
12 of parts or products. A violation of this subsection is an unfair
13 and deceptive act or practice in the business of insurance for
14 purposes of Article 21.21 of this code.

15 SECTION 2. This Act applies only to a violation of Article
16 5.07-1(g), Insurance Code, as amended by this Act, that occurs on or
17 after the effective date of this Act. A violation of Article
18 5.07-1(g), Insurance Code, that occurs before the effective date of
19 this Act is governed by the law as it existed immediately before the
20 effective date of this Act, and that law is continued in effect for
21 this purpose.

22 SECTION 3. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this

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- 1 Act does not receive the vote necessary for immediate effect, this
- 2 Act takes effect September 1, 2003.