

By: Leibowitz

H.B. No. 693

A BILL TO BE ENTITLED

AN ACT

relating to required disclosure of certain information regarding liability insurance coverage.

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

SECTION 1. Chapter 542, Insurance Code, as effective April 1, 2005, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. DISCLOSURES TO THIRD PARTY CLAIMANT

Sec. 542.251. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to the settlement of a claim under a liability insurance policy that is delivered, issued for delivery, or renewed in this state, including a policy written by:

(1) a county mutual insurance company;

(2) a Lloyd's plan;

(3) an eligible surplus lines insurer; or

(4) a reciprocal or interinsurance exchange.

Sec. 542.252. DISCLOSURE OF CERTAIN INFORMATION BY INSURER. Not later than the 30th day after the date an insurer receives a request from a third-party claimant whose claim may be covered by liability insurance issued by the insurer, the insurer shall provide to the third-party claimant:

(1) a copy of each insurance policy issued by the insurer that provides liability coverage to an insured who may be liable for the claimant's damages, including excess or umbrella coverage; and

1 (2) a statement, under oath, of a corporate officer of
2 the insurer or the insurer's claims manager or superintendent that
3 includes, for each of those policies:

4 (A) the name of the insurer issuing the policy;

5 (B) the name of each named insured under the
6 policy;

7 (C) the limits of the liability coverage under
8 the policy; and

9 (D) any policy or coverage defense that the
10 insurer reasonably believes is available to the insurer at the time
11 the statement is made.

12 Sec. 542.253. DISCLOSURE OF CERTAIN INFORMATION BY INSURED
13 OR INSURED'S AGENT. (a) An insured or the insured's insurance
14 agent, on written request of a third-party claimant or the
15 claimant's attorney, shall provide a written statement to the
16 requestor that includes the name of each insurer providing
17 liability coverage to the insured and a description of the coverage
18 provided to the insured and shall forward a copy of the request to
19 each of those insurers.

20 (b) Not later than the 30th day after the date an insurer
21 receives a request under this section, the insurer shall provide
22 the information prescribed by Subsection (a) to the third-party
23 claimant.

24 Sec. 542.254. AMENDMENT OF STATEMENT; PROVISION OF CERTAIN
25 ADDITIONAL INFORMATION. (a) An insurer or other person who
26 provides a statement under this chapter and who, after providing
27 the statement, discovers a fact required to be included in a

1 statement under this subchapter shall immediately provide an
2 amended statement including that fact to the person who requested
3 the original statement.

4 (b) In addition to providing an amended statement under this
5 section, an insurer that discovers the existence of a policy
6 described by Section 542.252 that was not disclosed in the
7 statement provided under that section shall immediately provide a
8 copy of that policy to the third-party claimant.

9 SECTION 2. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2005.