

By: Taylor

H.B. No. 1572

A BILL TO BE ENTITLED

AN ACT

relating to the recovery of certain costs and payments relating to losses covered by personal automobile insurance.

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

SECTION 1. Subchapter E, Chapter 21, Insurance Code, is amended by adding Article 21.79H to read as follows:

Art. 21.79H. RECOVERY OF CERTAIN COSTS FROM THIRD PARTY.

(a) This article applies to any insurer that delivers, issues for delivery, or renews a private passenger automobile insurance policy in this state, including a county mutual, a reciprocal or interinsurance exchange, or a Lloyd's plan.

(b) An insurer that brings suit or takes other action described by Section 542.202 of this code against a responsible third party or that party's insurer relating to a loss covered under a private passenger automobile insurance policy is entitled to recover, in addition to payments made by the insurer or insured, the costs of bringing the suit or taking the action, including reasonable attorney's fees and court costs.

SECTION 2. Article 5.06-3, Insurance Code, is amended by amending Subsection (c) and adding Subsection (i) to read as follows:

(c) The benefits required by this Act shall be payable without regard to the fault or non-fault of the named insured or the recipient in causing or contributing to the accident, and without

1 regard to any collateral source of medical, hospital, or wage  
2 continuation benefits. Except as provided by Subsection (i) of  
3 this article, an [An] insurer paying benefits pursuant to this Act  
4 shall have no right of subrogation and no claim against any other  
5 person or insurer to recover any such benefits by reason of the  
6 alleged fault of such other person in causing or contributing to the  
7 accident.

8 (i) An insurer paying benefits pursuant to this Act,  
9 including a county mutual insurance company, shall have a right of  
10 subrogation and a claim against a person causing or contributing to  
11 the accident if, on the date of loss:

12 (1) financial responsibility as required by Chapter  
13 601, Transportation Code, has not been established for a motor  
14 vehicle involved in the accident and operated by that person; or

15 (2) the motor vehicle operated by that person was  
16 insured by an insurer not authorized to engage in business in this  
17 state.

18 SECTION 3. The change in law made by this Act applies only  
19 to an action commenced on or after January 1, 2006. An action  
20 commenced before that date is governed by the law as it existed  
21 immediately before the effective date of this Act, and that law is  
22 continued in effect for that purpose.

23 SECTION 4. The change in law made by this Act to Article  
24 5.06-3, Insurance Code, applies only to an insurance policy  
25 delivered, issued for delivery, or renewed on or after January 1,  
26 2006. A policy delivered, issued for delivery, or renewed before  
27 January 1, 2006, is governed by the law as it existed immediately

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1 before the effective date of this Act, and that law is continued in  
2 effect for that purpose.

3 SECTION 5. This Act takes effect September 1, 2005.