

By: Thompson

H.B. No. 3300

A BILL TO BE ENTITLED

1

AN ACT

2 relating to reinstatement of a personal automobile insurance
3 policy.

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

5 SECTION 1. The heading of Section 551.106, Insurance Code,
6 is amended to read as follows:

7 Sec. 551.106. RENEWAL AND REINSTATEMENT OF PERSONAL
8 AUTOMOBILE INSURANCE POLICIES.

9 SECTION 2. Section 551.106, Insurance Code, is amended by
10 adding Subsection (c) to read as follows:

11 (c) An insurer may reinstate a personal automobile
12 insurance policy canceled for nonpayment of premium if the premium
13 owed is paid not later than the 60th day after date of cancellation.
14 Coverage under the policy lapses on the date of cancellation and is
15 not again effective until the date the payment is received by the
16 insurer. Premium is not owed for any period in which the policy is
17 not in effect.

18 SECTION 3. Section (1), Article 5.06-1, Insurance Code, is
19 amended to read as follows:

20 (1) No automobile liability insurance (including insurance
21 issued pursuant to an Assigned Risk Plan established under
22 authority of Section 35 of the Texas Motor Vehicle
23 Safety-Responsibility Act), covering liability arising out of the
24 ownership, maintenance, or use of any motor vehicle shall be

1 delivered or issued for delivery in this state unless coverage is
2 provided therein or supplemental thereto, in at least the limits
3 described in the Texas Motor Vehicle Safety-Responsibility Act,
4 under provisions prescribed by the Board, for the protection of
5 persons insured thereunder who are legally entitled to recover
6 damages from owners or operators of uninsured or underinsured motor
7 vehicles because of bodily injury, sickness, or disease, including
8 death, or property damage resulting therefrom. The coverages
9 required under this Article shall not be applicable where any
10 insured named in the policy shall reject the coverage in writing;
11 provided that unless the named insured thereafter requests such
12 coverage in writing, such coverage need not be provided in or
13 supplemental to a reinstated policy or renewal policy where the
14 named insured has rejected the coverage in connection with that
15 policy or a policy previously issued to him by the same insurer or
16 by an affiliated insurer.

17 SECTION 4. Article 5.06-3(a), Insurance Code, is amended to
18 read as follows:

19 (a) No automobile liability insurance policy, including
20 insurance issued pursuant to an assigned risk plan established
21 under authority of Section 35 of the Texas Motor Vehicle
22 Safety-Responsibility Act, covering liability arising out of the
23 ownership, maintenance, or use of any motor vehicle shall be
24 delivered or issued for delivery in this state unless personal
25 injury protection coverage is provided therein or supplemental
26 thereto. The coverage required by this article shall not be
27 applicable if any insured named in the policy shall reject the

1 coverage in writing; provided, unless the named insured thereafter
2 requests such coverage in writing, such coverage need not be
3 provided in or supplemental to a reinstated policy or renewal
4 policy if the named insured has rejected the coverage in connection
5 with that policy or a policy previously issued to him by the same
6 insurer or by an affiliated insurer.

7 SECTION 5. This Act applies only to an insurance policy that
8 is delivered, issued for delivery, or renewed on or after the
9 effective date of this Act. A policy that is delivered, issued for
10 delivery, or renewed before the effective date of this Act is
11 governed by the law as it existed immediately before that, and that
12 law is continued in effect for this purpose.

13 SECTION 6. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2005.