

1-1 By: Thompson (Senate Sponsor - Averitt) H.B. No. 3300
1-2 (In the Senate - Received from the House May 16, 2005;
1-3 May 17, 2005, read first time and referred to Committee on Business
1-4 and Commerce; May 19, 2005, reported favorably by the following
1-5 vote: Yeas 9, Nays 0; May 19, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to reinstatement of a personal automobile insurance
1-9 policy.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. The heading of Section 551.106, Insurance Code,
1-12 is amended to read as follows:

1-13 Sec. 551.106. RENEWAL AND REINSTATEMENT OF PERSONAL
1-14 AUTOMOBILE INSURANCE POLICIES.

1-15 SECTION 2. Section 551.106, Insurance Code, is amended by
1-16 adding Subsection (c) to read as follows:

1-17 (c) An insurer may reinstate a personal automobile
1-18 insurance policy canceled for nonpayment of premium if the premium
1-19 owed is paid not later than the 60th day after date of cancellation.
1-20 Coverage under the policy lapses on the date of cancellation and is
1-21 not again effective until the date the payment is received by the
1-22 insurer. Premium is not owed for any period in which the policy is
1-23 not in effect.

1-24 SECTION 3. Section (1), Article 5.06-1, Insurance Code, is
1-25 amended to read as follows:

1-26 (1) No automobile liability insurance (including insurance
1-27 issued pursuant to an Assigned Risk Plan established under
1-28 authority of Section 35 of the Texas Motor Vehicle
1-29 Safety-Responsibility Act), covering liability arising out of the
1-30 ownership, maintenance, or use of any motor vehicle shall be
1-31 delivered or issued for delivery in this state unless coverage is
1-32 provided therein or supplemental thereto, in at least the limits
1-33 described in the Texas Motor Vehicle Safety-Responsibility Act,
1-34 under provisions prescribed by the Board, for the protection of
1-35 persons insured thereunder who are legally entitled to recover
1-36 damages from owners or operators of uninsured or underinsured motor
1-37 vehicles because of bodily injury, sickness, or disease, including
1-38 death, or property damage resulting therefrom. The coverages
1-39 required under this Article shall not be applicable where any
1-40 insured named in the policy shall reject the coverage in writing;
1-41 provided that unless the named insured thereafter requests such
1-42 coverage in writing, such coverage need not be provided in or
1-43 supplemental to a reinstated policy or renewal policy where the
1-44 named insured has rejected the coverage in connection with that
1-45 policy or a policy previously issued to him by the same insurer or
1-46 by an affiliated insurer.

1-47 SECTION 4. Article 5.06-3(a), Insurance Code, is amended to
1-48 read as follows:

1-49 (a) No automobile liability insurance policy, including
1-50 insurance issued pursuant to an assigned risk plan established
1-51 under authority of Section 35 of the Texas Motor Vehicle
1-52 Safety-Responsibility Act, covering liability arising out of the
1-53 ownership, maintenance, or use of any motor vehicle shall be
1-54 delivered or issued for delivery in this state unless personal
1-55 injury protection coverage is provided therein or supplemental
1-56 thereto. The coverage required by this article shall not be
1-57 applicable if any insured named in the policy shall reject the
1-58 coverage in writing; provided, unless the named insured thereafter
1-59 requests such coverage in writing, such coverage need not be
1-60 provided in or supplemental to a reinstated policy or renewal
1-61 policy if the named insured has rejected the coverage in connection
1-62 with that policy or a policy previously issued to him by the same
1-63 insurer or by an affiliated insurer.

1-64 SECTION 5. This Act applies only to an insurance policy that

2-1 is delivered, issued for delivery, or renewed on or after the
2-2 effective date of this Act. A policy that is delivered, issued for
2-3 delivery, or renewed before the effective date of this Act is
2-4 governed by the law as it existed immediately before that, and that
2-5 law is continued in effect for this purpose.

2-6 SECTION 6. This Act takes effect immediately if it receives
2-7 a vote of two-thirds of all the members elected to each house, as
2-8 provided by Section 39, Article III, Texas Constitution. If this
2-9 Act does not receive the vote necessary for immediate effect, this
2-10 Act takes effect September 1, 2005.

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