

By: Eiland

H.B. No. 3840

A BILL TO BE ENTITLED

AN ACT

1
2 relating to prohibition of certain insurer restrictions regarding
3 repair of a motor vehicle covered under an insurance policy.

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

5 SECTION 1. Section 1952.301(a), Insurance Code, is amended
6 to read as follows:

7 (a) Except as provided by rules adopted by the commissioner,
8 under an automobile insurance policy that is delivered, issued for
9 delivery, or renewed in this state, an insurer may not directly or
10 indirectly limit the insurer's coverage under a policy covering
11 damage to a motor vehicle by:

12 (1) specifying the brand, type, kind, age, vendor,
13 supplier, or condition of parts or products that may be used to
14 repair the vehicle; ~~[or]~~

15 (2) specifying maximum labor charges for the repair of
16 the vehicle; or

17 (3) limiting the beneficiary of the policy to ~~[from]~~
18 selecting a repair person or facility to repair damage to the
19 vehicle from a list provided to the beneficiary by the insurer.

20 SECTION 2. This Act applies only to an automobile insurance
21 policy delivered, issued for delivery, or renewed on or after
22 January 1, 2008. A policy delivered, issued for delivery, or
23 renewed before January 1, 2008, is governed by the law as it existed
24 immediately before the effective date of this Act, and that law is

1 continued in effect for that purpose.

2 SECTION 3. This Act takes effect September 1, 2007.