

1-1 By: Jackson S.B. No. 1159
1-2 (In the Senate - Filed March 5, 2007; March 14, 2007, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 May 15, 2007, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 0; May 15, 2007,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1159 By: Harris

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to prohibition of certain insurer restrictions regarding
1-11 repair of a motor vehicle covered under an insurance policy.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (a), Section 1952.301, Insurance
1-14 Code, is amended to read as follows:

1-15 (a) Except as provided by rules adopted by the commissioner,
1-16 under an automobile insurance policy that is delivered, issued for
1-17 delivery, or renewed in this state, an insurer may not directly or
1-18 indirectly [~~limit the insurer's coverage under a policy covering~~
1-19 ~~damage to a motor vehicle by~~]:

1-20 (1) specify [~~specifying~~] the brand, type, kind, age,
1-21 vendor, supplier, or condition of parts or products that may be used
1-22 to repair the vehicle; or

1-23 (2) limit [~~limiting~~] the beneficiary of the policy to
1-24 [~~from~~] selecting a repair person or facility to repair damage to the
1-25 vehicle from a list provided to the beneficiary by the insurer.

1-26 SECTION 2. Subsection (a), Section 1952.303, Insurance
1-27 Code, is amended to read as follows:

1-28 (a) A contract between an insurer and a repair person or
1-29 repair facility may not include [~~, including~~] an agreement under
1-30 which the repair person or facility agrees to extend discounts for
1-31 parts or labor to the insurer in exchange for referrals by the
1-32 insurer [~~, may not result in a reduction of coverage under an~~
1-33 ~~insured's automobile insurance policy~~].

1-34 SECTION 3. This Act applies only to an automobile insurance
1-35 policy delivered, issued for delivery, or renewed on or after
1-36 January 1, 2008. A policy delivered, issued for delivery, or
1-37 renewed before January 1, 2008, is governed by the law as it existed
1-38 immediately before the effective date of this Act, and that law is
1-39 continued in effect for that purpose.

1-40 SECTION 4. The change in law made by this Act to Subsection
1-41 (a), Section 1952.303, Insurance Code, applies only to a contract
1-42 entered into on or after the effective date of this Act. A contract
1-43 entered into before the effective date of this Act is governed by
1-44 the law in effect immediately before that date, and that law is
1-45 continued in effect for that purpose.

1-46 SECTION 5. This Act takes effect September 1, 2007.

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