

By: Lucio

S.B. No. 1402

A BILL TO BE ENTITLED

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AN ACT

relating to the refund of excess unearned premiums by insurance premium finance companies.

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

SECTION 1. Subsection (g), Section 651.162, Insurance Code, is amended to read as follows:

(g) If the crediting of return premiums to the account of an insured results in a surplus over the amount due from the insured, the insurance premium finance company shall refund the excess to the insured. If the amount of the excess is less than \$5 [~~\$1~~], the insured is not entitled to a refund credit.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.