

By: Hancock

H.B. No. 3221

A BILL TO BE ENTITLED

AN ACT

relating to required notification by an insurer before automatic premium payments may be increased.

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

SECTION 1. Section 550.002, Insurance Code, is amended by amending Subsection (b) and adding Subsections (b-1) and (b-2) to read as follows:

(b) An insurer receiving automatic premium payments through withdrawal of funds from a person's account, including an escrow account, as authorized by that person to pay premiums on insurance coverage provided through that insurer, may not increase the amount of funds to be withdrawn from the account to pay premiums on that coverage unless[+]

~~[(1)]~~ the insurer, not later than the 30th day before the effective date of the increase in the premium payment amount, notifies the person of the increase in writing.

(b-1) A [and provides the] person [a postage prepaid form that] may [be used to] object to the increase described by Subsection (b). The insurer may provide the following methods for a person to object to the increase:

(1) by mail, with a postage prepaid form provided by the insurer;

(2) by posting information regarding the increase on the insurer's Internet website, with a link that allows the person

1 to respond to the insurer;

2 (3) by a toll-free telephone number provided by the
3 insurer; and

4 (4) by an e-mail address provided by the insurer.

5 (b-2) The insurer may increase the amount of funds to be
6 withdrawn from the account if ~~[, and~~

7 ~~[(2) neither]~~ the insurer does not receive an ~~[nor the~~

8 ~~financial institution receives written]~~ objection to the increase,

9 in writing by an e-mail, fax, or letter, or by telephone, on or

10 before the fifth day before the date on which the increase is

11 scheduled to take ~~[takes]~~ effect.

12 SECTION 2. This Act takes effect immediately if it receives

13 a vote of two-thirds of all the members elected to each house, as

14 provided by Section 39, Article III, Texas Constitution. If this

15 Act does not receive the vote necessary for immediate effect, this

16 Act takes effect September 1, 2009.