

By: Smithee

H.B. No. 4242

Substitute the following for H.B. No. 4242:

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C.S.H.B. No. 4242

A BILL TO BE ENTITLED

AN ACT

relating to notice of acceptance or rejection of an insurance claim.

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

SECTION 1. Section 542.056, Insurance Code, is amended by adding Subsections (e), (f), and (g) to read as follows:

(e) If an insurer pays a claim not later than the 15th business day after the date the insurer receives all items, statements, and forms required by the insurer to secure final proof of loss, or not later than the 30th day if the insurer has a reasonable basis to believe that the loss that is the subject of the claim resulted from arson, the payment of the claim constitutes notice of acceptance and, notwithstanding Subsection (a), the insurer is not required to provide any other notice under this section.

(f) If an insurer makes a partial payment under this section or rejects any portion of a claim, the insurer shall include a written notice with the partial payment that states the reason for the rejection.

(g) For purposes of Subsections (e) and (f), payment includes an electronic funds transfer to an account identified by the claimant.

SECTION 2. The change in law made by this Act applies to a claim filed on or after the effective date of this Act. A claim

1 filed before the effective date of this Act is governed by the law
2 as it existed immediately before that date, and that law is
3 continued in effect for that purpose.

4 SECTION 3. This Act takes effect September 1, 2009.