

By: Smithee

H.B. No. 4342

A BILL TO BE ENTITLED

AN ACT

relating to required use by insurers of certain standard insurance policy forms for residential property insurance.

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

SECTION 1. Section 2301.008, Insurance Code, is amended to read as follows:

Sec. 2301.008. ADOPTION AND USE OF STANDARD FORMS. (a) The commissioner may adopt standard insurance policy forms, printed endorsement forms, and related forms other than insurance policy forms and printed endorsement forms.

(b) In [ , that an insurer may use instead of the insurer's own forms in] writing insurance subject to this subchapter other than residential property insurance, an insurer may use the standard forms adopted by the commissioner under Subsection (a) instead of the insurer's own forms. In writing residential property insurance, an insurer shall use the standard forms in the manner prescribed by Section 2301.0525.

SECTION 2. Section 2301.052(b), Insurance Code, is amended to read as follows:

(b) Subject to Section 2301.0525, an [An] insurer may continue to use an insurance policy form or endorsement promulgated, approved, or adopted under Article 5.06 or 5.35 before June 11, 2003, on written notification to the commissioner that the insurer will continue to use the form or endorsement.

1 SECTION 3. Subchapter B, Chapter 2301, Insurance Code, is  
2 amended by adding Section 2301.0525 to read as follows:

3 Sec. 2301.0525. USE OF CERTAIN STANDARD INSURANCE POLICY  
4 FORMS REQUIRED. (a) Each insurer that writes residential property  
5 insurance in this state:

6 (1) shall use, without endorsements or exclusions, the  
7 Standard HO-A, Standard HO-B, and Standard HO-C forms promulgated  
8 by the department; and

9 (2) may use:

10 (A) alternative policy forms approved by the  
11 commissioner under Section 2301.006; or

12 (B) standard insurance policy forms adopted by  
13 the commissioner under Section 2301.008.

14 (b) An insurer may not deliver or issue for delivery in this  
15 state a residential property insurance policy unless the insurer  
16 informs all applicants for that insurance coverage, in the manner  
17 prescribed by commissioner rule, that an applicant otherwise  
18 qualified for that insurance coverage under this code may elect to  
19 obtain residential property insurance coverage under a standard  
20 insurance policy adopted by the commissioner under Section  
21 2301.008.

22 SECTION 4. This Act applies only to an insurance policy  
23 delivered, issued for delivery, or renewed on or after January 1,  
24 2010. A policy delivered, issued for delivery, or renewed before  
25 January 1, 2010, is governed by the law as it existed immediately  
26 before the effective date of this Act, and that law is continued in  
27 effect for that purpose.

1 SECTION 5. This Act takes effect September 1, 2009.