

**House Bill 3221**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

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person to pay premiums on insurance coverage provided through that insurer, may not increase the amount of funds to be withdrawn from the account to pay premiums

SENATE VERSION

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. 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person to pay premiums on insurance coverage provided through that insurer, may not increase the amount of funds to be withdrawn from the account to pay premiums

CONFERENCE

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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 to respond to the insurer;

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

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

(b-2) The insurer may increase the amount of funds to be withdrawn from the account if [~~;~~ and

[~~(2) neither~~] the insurer does not receive an [~~nor the financial institution receives written~~] objection to the increase, in writing by an e-mail, fax, or letter, or by telephone, on or before the fifth day before the date on which the increase is scheduled to take [~~takes~~] effect.

SENATE VERSION

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 by mailing a notice through the United States Postal Service.

(b-1) The notice must include the insurer's toll-free telephone number, mailing address, and electronic mail address, if applicable, through which the [~~and provides the~~] person [~~a postage prepaid form that~~] may [~~be used to~~] object to the increase described by Subsection (b).

An objection made by the policyholder through a telephone call, mail, or electronic mail constitutes a valid objection for purposes of this section.

(b-2) The insurer may increase the amount of funds to be withdrawn from the account only if [~~;~~ and

[~~(2) neither~~] the insurer does not receive a valid [~~nor the financial institution receives written~~] objection to the increase on or before the fifth day before the date on which the increase is scheduled to take [~~takes~~] effect.

CONFERENCE

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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, 2009.

SENATE VERSION

SECTION 3. Same as House version.

CONFERENCE