

BILL ANALYSIS

H.B. 2382
By: Murphy
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, an insurance company may be obligated to continue covering a risk even when the insurance company fails to issue a renewal or nonrenewal of insurance or even when the insured changes to a different insurance company.

H.B. 2382 seeks to clarify these matters by establishing that, while an insurance company remains obligated to cover a risk after the end of the policy term, that obligation ends when the insured's new insurance policy begins with a new insurance company.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2382 amends the Insurance Code to require a property and casualty insurance policy, notwithstanding an insurer's failure to comply with a requirement to renew a policy unless the insurer provides timely written notice of nonrenewal, to terminate on the effective date of any replacement or succeeding insurance policy with another carrier with respect to an insured personal automobile, home, farm, ranch, dwelling, duplex, apartment, or other real or personal property.

EFFECTIVE DATE

September 1, 2011.