

By: Eiland

H.B. No. 2276

A BILL TO BE ENTITLED

AN ACT

relating to insurer restrictions regarding repair of a motor vehicle covered under an insurance policy.

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

SECTION 1. Section 1952.301(a), Insurance Code, is amended to read as follows:

(a) Except as provided by rules adopted by the commissioner, under an automobile insurance policy that is delivered, issued for delivery, or renewed in this state, an insurer may not directly or indirectly limit the insurer's coverage under a policy covering damage to a motor vehicle by:

(1) specifying the brand, type, kind, age, vendor, supplier, or condition of parts or products that may be used to repair the vehicle; ~~or~~

(2) specifying maximum labor charges for the repair of the vehicle; or

(3) limiting the beneficiary of the policy to [from] selecting a repair person or facility to repair damage to the vehicle from a list provided to the beneficiary by the insurer.

SECTION 2. Section 1952.304, Insurance Code, is amended to read as follows:

Sec. 1952.304. PROVISION OF INFORMATION REGARDING REPAIRS.

(a) At the time a motor vehicle is presented to an insurer, insurance adjuster, or other person in connection with a claim for

1 damage repair, the insurer shall provide the claimant with written  
2 notice describing the insurer's policies and procedures for repair  
3 processes and claims payments for direct repair facilities and  
4 nondirect repair facilities. The notice must include an  
5 explanation of how the insurer's policies and procedures for repair  
6 processes and claims payments for direct repair facilities and  
7 nondirect repair facilities differ.

8 (b) An insurer may not prohibit a repair person or facility  
9 from providing a beneficiary or third-party claimant with  
10 information that states:

11 (1) the description, manufacturer, or source of the  
12 parts used; and

13 (2) the amounts charged to the insurer for the parts  
14 and related labor.

15 (c) The commissioner may adopt rules establishing the  
16 method or methods insurers must use to comply with this section.

17 SECTION 3. Subchapter G, Chapter 1952, Insurance Code, is  
18 amended by adding Sections 1952.308 and 1952.309 to read as  
19 follows:

20 Sec. 1952.308. APPLICABILITY OF SUBCHAPTER. This  
21 subchapter applies to an insurer authorized to write automobile  
22 insurance in this state, including an insurance company, reciprocal  
23 or interinsurance exchange, mutual insurance company, capital  
24 stock company, county mutual insurance company, Lloyd's plan, or  
25 other entity.

26 Sec. 1952.309. DISCLOSURE TO AUTOMOBILE REPAIR FACILITY.  
27 An insurer must provide an automobile repair facility that submits

1 a written request with a written disclosure explaining the  
2 requirements to become a contracted direct repair facility with  
3 that insurer not later than the 30th day after the date the insurer  
4 receives the request.

5 SECTION 4. (a) Section 1952.301, Insurance Code, as  
6 amended by this Act, applies only to an automobile insurance policy  
7 delivered, issued for delivery, or renewed on or after the  
8 effective date of this Act. A policy delivered, issued for  
9 delivery, or renewed before the effective date of this Act is  
10 governed by the law as it existed immediately before that date, and  
11 that law is continued in effect for that purpose.

12 (b) To the extent Section 1952.301, Insurance Code, as  
13 amended by this Act, applies to an insurer under Section 1952.308,  
14 Insurance Code, as added by this Act, to whom Section 1952.301 did  
15 not apply immediately before the effective date of this Act,  
16 Section 1952.301 applies only to a policy delivered, issued for  
17 delivery, or renewed by the insurer on or after the effective date  
18 of this Act. A policy delivered, issued for delivery, or renewed by  
19 the insurer before the effective date of this Act is governed by the  
20 law in effect immediately before the effective date of this Act, and  
21 the former law is continued in effect for that purpose.

22 (c) To the extent Section 1952.303, Insurance Code, applies  
23 to an insurer under Section 1952.308, Insurance Code, as added by  
24 this Act, to whom Section 1952.303 did not apply immediately before  
25 the effective date of this Act, Section 1952.303 applies only to a  
26 contract entered into by the insurer on or after the effective date  
27 of this Act. A contract entered into by the insurer before the

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

4 SECTION 5. This Act takes effect September 1, 2011.