

By: Vo

H.B. No. 2537

A BILL TO BE ENTITLED

AN ACT

relating to the reporting of information to claims databases by insurers.

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

SECTION 1. Subtitle C, Title 5, Insurance Code, is amended by adding Chapter 563 to read as follows:

CHAPTER 563. PRACTICES RELATING TO CLAIMS REPORTING

Sec. 563.001. DEFINITIONS. In this chapter:

(1) "Claims database" means a database used by insurers to share, among insurers, insureds' claims histories or damage reports concerning covered properties.

(2) "Insurer," "personal automobile insurance," and "residential property insurance" have the meanings assigned by Section 2254.001.

Sec. 563.002. REPORTING TO CLAIMS DATABASE. An insurer or an insurer's agent may not report to a claims database information regarding an inquiry by an insured regarding coverage provided under a personal automobile insurance policy or a residential property insurance policy unless and until the insured files a claim under the policy.

Sec. 563.003. NOTICE TO INSURED. On the issuance or renewal of a personal automobile insurance policy or a residential property insurance policy, or in a notice concerning a change in the terms of a personal automobile insurance policy or a residential

1 property insurance policy, the insurer or the insurer's agent
2 shall:

3 (1) notify the insured or potential insured of the
4 insured's right under federal law to obtain a free annual claims
5 history report from applicable claims databases; and

6 (2) provide the insured or potential insured with
7 written instructions explaining how the insured may obtain the
8 annual claims history report described by Subdivision (1).

9 SECTION 2. This Act takes effect September 1, 2011.