

1-1 By: Sheets (Senate Sponsor - Carona) H.B. No. 2655
1-2 (In the Senate - Received from the House May 6, 2011;
1-3 May 9, 2011, read first time and referred to Committee on Business
1-4 and Commerce; May 19, 2011, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
1-6 May 19, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2655 By: Carona

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to notice of coverage reduction on renewal of a
1-11 property/casualty insurance policy.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 2002.001, Insurance Code, is amended to
1-14 read as follows:

1-15 Sec. 2002.001. ENDORSEMENTS REDUCING AMOUNT OF COVERAGE.
1-16 An insurer may not use an endorsement to a policy form to which
1-17 Article 5.35, Subchapter B, or Subchapter B, Chapter 2301, applies
1-18 that reduces [~~the amount of~~] coverage that would otherwise be
1-19 provided under the policy unless:

1-20 (1) the insured requests the endorsement; or

1-21 (2) the insurer provides the policyholder with a
1-22 written explanation of the change made by the endorsement not later
1-23 than the 30th day before the date on which the policy expires
1-24 [~~effective date of the change~~].

1-25 SECTION 2. Section 551.105, Insurance Code, is amended to
1-26 read as follows:

1-27 Sec. 551.105. NONRENEWAL OF POLICIES; NOTICE REQUIRED.
1-28 Unless the insurer has mailed written notice of nonrenewal or
1-29 renewal with written notice of change in coverage as provided by
1-30 Section 2002.001 to the insured not later than the 30th day before
1-31 the date on which the insurance policy expires, an insurer must
1-32 renew an insurance policy, at the request of the insured, on the
1-33 expiration of the policy.

1-34 SECTION 3. This Act takes effect September 1, 2011.

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