

By: Walle

H.B. No. 2724

A BILL TO BE ENTITLED

AN ACT

relating to the requirement that certain information accompany residential property and personal automobile insurance documents.

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

SECTION 1. Subchapter A, Chapter 521, Insurance Code, is amended by adding Sections 521.006 and 521.007 to read as follows:

Sec. 521.006. NOTICE TO ACCOMPANY RESIDENTIAL PROPERTY OR PERSONAL AUTOMOBILE INSURANCE RENEWAL POLICY. (a) At the time a residential property or personal automobile insurance policy is renewed, the insurer shall provide the insured a copy of the renewal policy. The policy must contain on the first page:

(1) a table that clearly lists the premium charged under the policy before renewal, the new premium charged under the renewal policy, and the percentage change, if any, between these amounts; and

(2) an explanation, in plain language, of any changes in the coverage under the renewal policy.

(b) If there is an increase in the premium or change in the coverage under the renewal policy, the first page of the renewal policy must contain a statement advising the consumer of the department's website that is designated by the department to help consumers compare premiums and coverages of different insurers' policies.

(c) The commissioner shall adopt appropriate wording for

1 the notices.

2 (d) This section and Section 521.007 apply to personal
3 automobile insurance or residential property insurance issued by an
4 insurance company, a reciprocal or interinsurance exchange, a
5 mutual insurance company, a capital stock company, a county mutual
6 insurance company, a Lloyd's plan, or another legal entity
7 authorized to write residential property insurance or personal
8 automobile insurance in this state, including an affiliate, as
9 described by this code, that is authorized to write residential
10 property insurance, the Texas Windstorm Insurance Association
11 under Chapter 2210, and the FAIR Plan Association under Chapter
12 2211.

13 Sec. 521.007. STATEMENT OF DEDUCTIBLE ON RESIDENTIAL
14 PROPERTY OR PERSONAL AUTOMOBILE INSURANCE DOCUMENT. An insurance
15 policy or other document related to residential property or
16 personal automobile insurance coverage that expresses a deductible
17 as a percentage of the coverage amount must state the actual dollar
18 amount of the deductible next to the percentage.

19 SECTION 2. This Act applies only to an insurance policy
20 delivered, issued for delivery, or renewed on or after January 1,
21 2012. A policy delivered, issued for delivery, or renewed before
22 January 1, 2012, is governed by the law as it existed immediately
23 before the effective date of this Act, and that law is continued in
24 effect for that purpose.

25 SECTION 3. This Act takes effect September 1, 2011.