

By: Lucio

S.B. No. 95

A BILL TO BE ENTITLED

AN ACT

relating to required use by insurers of certain standard insurance policy forms for residential property insurance.

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

SECTION 1. Section 2301.008, Insurance Code, is amended to read as follows:

Sec. 2301.008. ADOPTION AND USE OF STANDARD FORMS. (a) Except as provided by Subsection (b), the [The] commissioner may adopt standard insurance policy forms, printed endorsement forms, and forms related to [forms other than] insurance policy forms and printed endorsement forms.

(b) The commissioner shall adopt standard insurance policy forms, printed endorsement forms, and forms related to insurance policy forms and printed endorsement forms for use in writing residential property insurance.

(c) In [ , that an insurer may use instead of the insurer's own forms in] writing insurance subject to this subchapter other than residential property insurance, an insurer may use the standard forms adopted by the commissioner under Subsection (a) instead of the insurer's own forms. In writing residential property insurance, an insurer shall use the standard forms in the manner prescribed by Section 2301.0525.

SECTION 2. Section 2301.052(b), Insurance Code, is amended to read as follows:

1           (b) Subject to Section 2301.0525, an [~~An~~] insurer may  
2 continue to use an insurance policy form or endorsement  
3 promulgated, approved, or adopted under Article 5.06 or 5.35 before  
4 June 11, 2003, on written notification to the commissioner that the  
5 insurer will continue to use the form or endorsement.

6           SECTION 3. Subchapter B, Chapter 2301, Insurance Code, is  
7 amended by adding Section 2301.0525 to read as follows:

8           Sec. 2301.0525. USE OF CERTAIN STANDARD INSURANCE POLICY  
9 FORMS REQUIRED. (a) Each insurer that writes residential property  
10 insurance in this state shall use the standard insurance policy  
11 forms adopted by the commissioner under Section 2301.008 for use in  
12 writing residential property insurance and, subject to Subsection  
13 (b), may use alternative policy forms approved by the commissioner  
14 under Section 2301.006.

15           (b) An insurer may not deliver or issue for delivery a  
16 residential insurance policy to an applicant for that coverage in  
17 this state unless the insurer, in the manner prescribed by the  
18 commissioner by rule, informs the applicant that the applicant may  
19 elect to obtain residential property insurance coverage under a  
20 standard insurance policy adopted by the commissioner under Section  
21 2301.008.

22           SECTION 4. This Act applies only to an insurance policy  
23 delivered, issued for delivery, or renewed on or after January 1,  
24 2012. A policy delivered, issued for delivery, or renewed before  
25 January 1, 2012, is governed by the law as it existed immediately  
26 before the effective date of this Act, and that law is continued in  
27 effect for that purpose.

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