

By: Jackson
(Eiland)

S.B. No. 1300

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 1952.304, 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 damage repair, the insurer shall provide the claimant with a written notice summarizing the insurer's policies and procedures for repair processes and claims payments for direct repair facilities and nondirect repair facilities. The notice must include a summary explanation of how the insurer's policies and procedures for repair processes and claims payments for direct repair facilities and nondirect repair facilities differ.

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

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

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

(c) The commissioner may adopt rules establishing the

1 method or methods insurers must use to comply with this section.

2 SECTION 2. Subchapter G, Chapter 1952, Insurance Code, is
3 amended by adding Sections 1952.308 and 1952.309 to read as
4 follows:

5 Sec. 1952.308. APPLICABILITY OF SUBCHAPTER. This
6 subchapter applies to an insurer authorized to write automobile
7 insurance in this state, including an insurance company, reciprocal
8 or interinsurance exchange, mutual insurance company, capital
9 stock company, county mutual insurance company, Lloyd's plan, or
10 other entity.

11 Sec. 1952.309. DISCLOSURE TO AUTOMOBILE REPAIR FACILITY.
12 An insurer must provide an automobile repair facility that submits
13 a written request with a written disclosure explaining the
14 requirements to become a contracted direct repair facility with
15 that insurer not later than the 30th day after the date the insurer
16 receives the request. This section does not require an insurer to
17 contract with an inquiring automobile repair facility.

18 SECTION 3. (a) To the extent Section 1952.301, Insurance
19 Code, applies to an insurer under Section 1952.308, Insurance Code,
20 as added by this Act, to whom Section 1952.301 did not apply
21 immediately before the effective date of this Act, Section 1952.301
22 applies only to a policy delivered, issued for delivery, or renewed
23 by the insurer on or after the effective date of this Act. A policy
24 delivered, issued for delivery, or renewed by the insurer before
25 the effective date of this Act is governed by the law in effect
26 immediately before the effective date of this Act, and the former
27 law is continued in effect for that purpose.

1 (b) To the extent Section 1952.303, Insurance Code, applies
2 to an insurer under Section 1952.308, Insurance Code, as added by
3 this Act, to whom Section 1952.303 did not apply immediately before
4 the effective date of this Act, Section 1952.303 applies only to a
5 contract entered into by the insurer on or after the effective date
6 of this Act. A contract entered into by the insurer before the
7 effective date of this Act is governed by the law in effect
8 immediately before the effective date of this Act, and the former
9 law is continued in effect for that purpose.

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