

1-1 By: Jackson S.B. No. 1300
1-2 (In the Senate - Filed March 8, 2011; March 16, 2011, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 April 13, 2011, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 13, 2011,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1300 By: Jackson

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

1-10 relating to insurer restrictions regarding repair of a motor
1-11 vehicle covered under an insurance policy.

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

1-13 SECTION 1. Section 1952.304, Insurance Code, is amended to
1-14 read as follows:

1-15 Sec. 1952.304. PROVISION OF INFORMATION REGARDING REPAIRS.

1-16 (a) At the time a motor vehicle is presented to an insurer,
1-17 insurance adjuster, or other person in connection with a claim for
1-18 damage repair, the insurer shall provide the claimant with written
1-19 notice describing the insurer's policies and procedures for repair
1-20 processes and claims payments for direct repair facilities and
1-21 nondirect repair facilities. The notice must include an
1-22 explanation of how the insurer's policies and procedures for repair
1-23 processes and claims payments for direct repair facilities and
1-24 nondirect repair facilities differ.

1-25 (b) An insurer may not prohibit a repair person or facility
1-26 from providing a beneficiary or third-party claimant with
1-27 information that states:

1-28 (1) the description, manufacturer, or source of the
1-29 parts used; and

1-30 (2) the amounts charged to the insurer for the parts
1-31 and related labor.

1-32 (c) The commissioner may adopt rules establishing the
1-33 method or methods insurers must use to comply with this section.

1-34 SECTION 2. Subchapter G, Chapter 1952, Insurance Code, is
1-35 amended by adding Sections 1952.308 and 1952.309 to read as
1-36 follows:

1-37 Sec. 1952.308. APPLICABILITY OF SUBCHAPTER. This
1-38 subchapter applies to an insurer authorized to write automobile
1-39 insurance in this state, including an insurance company, reciprocal
1-40 or interinsurance exchange, mutual insurance company, capital
1-41 stock company, county mutual insurance company, Lloyd's plan, or
1-42 other entity.

1-43 Sec. 1952.309. DISCLOSURE TO AUTOMOBILE REPAIR FACILITY.
1-44 An insurer must provide an automobile repair facility that submits
1-45 a written request with a written disclosure explaining the
1-46 requirements to become a contracted direct repair facility with
1-47 that insurer not later than the 30th day after the date the insurer
1-48 receives the request.

1-49 SECTION 3. (a) To the extent Section 1952.301, Insurance
1-50 Code, applies to an insurer under Section 1952.308, Insurance Code,
1-51 as added by this Act, to whom Section 1952.301 did not apply
1-52 immediately before the effective date of this Act, Section 1952.301
1-53 applies only to a policy delivered, issued for delivery, or renewed
1-54 by the insurer on or after the effective date of this Act. A policy
1-55 delivered, issued for delivery, or renewed by the insurer before
1-56 the effective date of this Act is governed by the law in effect
1-57 immediately before the effective date of this Act, and the former
1-58 law is continued in effect for that purpose.

1-59 (b) To the extent Section 1952.303, Insurance Code, applies
1-60 to an insurer under Section 1952.308, Insurance Code, as added by
1-61 this Act, to whom Section 1952.303 did not apply immediately before
1-62 the effective date of this Act, Section 1952.303 applies only to a
1-63 contract entered into by the insurer on or after the effective date

2-1 of this Act. A contract entered into by the insurer before the
2-2 effective date of this Act is governed by the law in effect
2-3 immediately before the effective date of this Act, and the former
2-4 law is continued in effect for that purpose.

2-5 SECTION 4. This Act takes effect September 1, 2011.

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