1   AN ACT

2 relating to continuation of automobile insurance coverage for

3 certain motor vehicles acquired during a personal automobile

4 insurance policy term.

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

6   SECTION 1. Section 1952.001, Insurance Code, is amended to

7 read as follows:

8   Sec. 1952.001. APPLICABILITY   OF   CHAPTER.   Except   as

9 otherwise provided by this chapter [Section 1952.201], this chapter

10 applies to an insurer writing automobile insurance in this state,

11 including   an   insurance   company,   corporation,   reciprocal   or

12 interinsurance exchange, mutual insurance company, association,

13 Lloyd's plan, or other insurer.

14   SECTION 2. Subchapter B, Chapter 1952, Insurance Code, is

15 amended by adding Section 1952.059 to read as follows:

16   Sec. 1952.059. REQUIRED PROVISION: COVERAGE FOR CERTAIN

17 VEHICLES ACQUIRED DURING POLICY TERM. (a) This section applies to

18 an insurer authorized to write automobile insurance in this state,

19 including   an   insurance   company,   reciprocal   or   interinsurance

20 exchange, mutual insurance company, capital stock company, county

21 mutual insurance company, Lloyd's plan, or other entity.

22   (b) A personal automobile insurance policy must contain a

23 provision defining a covered vehicle in accordance with this

24 section for a motor vehicle acquired by the insured during the

1 policy term.

2 (c) Coverage under this section is required only for a

3 vehicle that is:

4 (1) a private passenger automobile; or

5 (2) a pickup, utility vehicle, or van with a gross

6 vehicle weight of 25,000 pounds or less that is not used for the

7 delivery or transportation of goods, materials, or supplies, other

8 than samples, unless:

9 (A) the delivery of the goods, materials, or

10 supplies is not the primary use for which the vehicle is employed;

11 or

12 (B) the vehicle is used for farming or ranching.

13 (d) Coverage under this section is required only for a

14 vehicle that is acquired during the policy term and of which the

15 insurer is notified on or before:

16 (1) the 20th day after the date on which the insured

17 becomes the owner of the vehicle; or

18 (2) a later date specified by the policy.

19 (e) Coverage under this section for a vehicle that replaces

20 a covered vehicle shown in the declarations for the policy must be

21 the same as the coverage for the vehicle being replaced. An insured

22 must notify the insurer of a replacement vehicle during the time

23 prescribed by Subsection (d) only if the insured wishes to:

24 (1) add coverage for damage to the vehicle; or

25 (2) continue existing coverage for damage to the

26 vehicle after the period prescribed by Subsection (d) expires.

27 (f) Coverage under this section for a vehicle that is

1 acquired during the policy term in addition to the covered vehicles

2 shown in the declarations for the policy and of which the insurer is

3 notified as prescribed by Subsection (d) must be the broadest

4 coverage provided under the policy for any covered vehicle shown in

5 the declarations.

6   SECTION 3. The change in law made by this Act applies only

7 to an insurance policy delivered, issued for delivery, or renewed

8 on or after January 1, 2014. An insurance policy delivered, issued

9 for delivery, or renewed before January 1, 2014, is governed by the

10 law in effect immediately before the effective date of this Act, and

11 that law is continued in effect for that purpose.

12   SECTION 4. This Act takes effect September 1, 2013.

_____   _____
    President of the Senate   Speaker of the House

I certify that H.B. No. 949 was passed by the House on April 11, 2013, by the following vote: Yeas 144, Nays 1, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 949 on May 15, 2013, by the following vote: Yeas 143, Nays 0, 3 present, not voting.

_____
    Chief Clerk of the House

I certify that H.B. No. 949 was passed by the Senate, with amendments, on May 9, 2013, by the following vote: Yeas 30, Nays 0.

_____
    Secretary of the Senate

APPROVED: _____
        Date

_____
    Governor