

By: Smithee

H.B. No. 949

A BILL TO BE ENTITLED

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 to provide coverage in accordance with this section for a
24 motor vehicle acquired by the insured during the policy term.

1 (c) Coverage under this section is required only for a
2 vehicle that is:

3 (1) a private passenger automobile; or

4 (2) a pickup or van with a gross vehicle weight of
5 10,000 pounds or less that is not used for the delivery or
6 transportation of goods, materials, or supplies, other than
7 samples, unless:

8 (A) the delivery of the goods, materials, or
9 supplies is not the primary use for which the vehicle is employed;
10 or

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

12 (d) Except as provided by Subsection (e), coverage under
13 this section is required only for a vehicle of which the insurer is
14 notified on or before the 30th day after the date on which the
15 insured becomes the owner of the vehicle.

16 (e) Coverage under this section for a vehicle that replaces
17 a vehicle shown in the declarations for the policy must be the same
18 as the coverage for the vehicle being replaced. An insured must
19 notify the insurer of a replacement vehicle during the time
20 prescribed by Subsection (d) only if the insured wishes to:

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

22 (2) continue existing coverage for damage to the
23 vehicle after the period prescribed by Subsection (d) expires.

24 (f) Coverage for a vehicle acquired in addition to the
25 vehicles shown in the declarations for the policy must be the
26 broadest coverage provided under the policy for any vehicle shown
27 in the declarations.

1 SECTION 3. The change in law made by this Act applies only
2 to an insurance policy delivered, issued for delivery, or renewed
3 on or after January 1, 2014. An insurance policy delivered, issued
4 for delivery, or renewed before January 1, 2014, is governed by the
5 law in effect immediately before the effective date of this Act, and
6 that law is continued in effect for that purpose.

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