

By: Morrison

H.B. No. 3107

A BILL TO BE ENTITLED

AN ACT

relating to issuance of certain personal property title insurance policies.

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

SECTION 1. Subchapter C, Chapter 2751, Insurance Code, is amended by adding Section 2751.105 to read as follows:

Sec. 2751.105. RESTRICTION ON ISSUANCE OF CERTAIN POLICIES.

A title insurance company may not issue or deliver a personal property title insurance policy providing coverage for equipment or facilities used to produce, generate, transmit, distribute, sell, or furnish energy unless the company issues or delivers to the secured party or other insured a title insurance policy providing coverage for the real property, or interest in real property, on which the equipment or facility is located.

SECTION 2. This Act applies only to a personal property title insurance policy that is delivered or issued for delivery on or after January 1, 2014. A policy delivered or issued for delivery before January 1, 2014, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2013.