

By: Sheets

H.B. No. 3139

A BILL TO BE ENTITLED

AN ACT

relating to reducing coverage for certain insurance policies.

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

SECTION 1. Chapter 2002, Insurance Code, is amended by amending Section 2002 to read as follows:

Sec. 2002.001. NOTICE REQUIRED FOR ENDORSEMENTS—~~REDUCING AMOUNT OF~~ COVERAGE. An insurer may not reduce coverage or use an endorsement to a policy form to which Article 5.35, Subchapter B, or Subchapter B, Chapter 2301, applies that reduces coverage that would otherwise be provided under the policy unless:

(1) the insured requests the reduction in coverage or ~~change made by the~~ endorsement; or

(2) the insurer provides the policyholder with a written explanation of the reduction in coverage change made by the endorsement not later than the 30th day before the day on which the policy expires.

SECTION 2. This Act takes effect September 1, 2013.