

By: Eiland

H.B. No. 3453

A BILL TO BE ENTITLED

AN ACT

relating to the use by insurers of a standard residential property insurance policy form.

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

SECTION 1. Sections 2002.051 and 2002.052, Insurance Code, are amended to read as follows:

Sec. 2002.051. POLICY FORMS AND ENDORSEMENTS FOR RESIDENTIAL PROPERTY INSURANCE. Notwithstanding Subsections (a)-(j), Article 5.35, policy forms and endorsements for residential property insurance in this state are regulated under ~~[Subchapter A,]~~ Chapter 2301~~[,]~~ and Article 5.13-2.

Sec. 2002.052. APPLICABILITY OF OTHER LAW TO RESIDENTIAL PROPERTY INSURANCE. Subject to Section 2301.0525, an ~~[An]~~ insurer may continue to use a policy form or endorsement promulgated, approved, or adopted by the commissioner under Article 5.35 before June 11, 2003, on notification in writing to the commissioner that the insurer will continue to use the policy form or endorsement.

SECTION 2. Section 2301.008, Insurance Code, is amended to read as follows:

Sec. 2301.008. ADOPTION AND USE OF STANDARD FORMS.
(a) The commissioner shall ~~[may]~~ adopt standard insurance policy forms, printed endorsement forms, and related forms other than insurance policy forms and printed endorsement forms, that an insurer shall ~~[may]~~ use in addition to ~~[instead of]~~ the insurer's

own forms in writing insurance subject to this subchapter.

(b) The commissioner shall adopt a standard residential property insurance policy form that provides as much coverage in all respects as the HO-B policy form adopted by the department and in effect on January 1, 2002.

SECTION 3. Subsection (b), Section 2301.052, Insurance Code, is amended to read as follows:

(b) Subject to Section 2301.0525, an [An] insurer may continue to use an insurance policy form or endorsement promulgated, approved, or adopted under Article 5.06 or 5.35 before June 11, 2003, on written notification to the commissioner that the insurer will continue to use the form or endorsement.

SECTION 4. Subchapter B, Chapter 2301, Insurance Code, is amended by adding Section 2301.0525 to read as follows:

Sec. 2301.0525. USE OF MINIMUM STANDARD INSURANCE POLICY FORMS REQUIRED. (a) Each insurer that writes residential property insurance in this state shall use the standard insurance policy form adopted by the commissioner under Section 2301.008(b) for residential property insurance. Subject to Subsections (b) and (d) of this section, an insurer may also use alternative policy forms approved by the commissioner under Section 2301.006.

(b) An insurer may not deliver or issue for delivery in this state a residential property insurance policy unless the insurer informs each applicant for that insurance coverage, in the manner prescribed by commissioner rule, that an applicant otherwise qualified for that insurance coverage under this code may elect to obtain residential property insurance coverage under the standard

1 insurance policy forms adopted by the commissioner under Section
2 2301.008.

3 (c) An insurer that offers coverage under the standard
4 insurance policy forms shall disclose to the applicant or insured,
5 at the time of the initial application and each renewal, each policy
6 limit and type of coverage available to the insured and the
7 respective costs for each coverage. The form of the disclosure
8 shall be specified by the commissioner, subject to Section
9 2301.053(c).

10 (d) An insurer that offers coverage under approved forms
11 other than the standard insurance policy forms shall disclose to
12 the applicant or insured, at the time of the initial application and
13 each renewal, in comparison to the standard insurance policy forms,
14 each additional coverage that is provided and the additional cost,
15 each reduction in coverage or exclusion of coverage and the reduced
16 cost, and each policy limit and type of coverage available to the
17 insured and the respective costs for each coverage. The form of the
18 disclosure shall be specified by the commissioner, subject to
19 Section 2301.053(c). At a minimum, the disclosure must refer the
20 applicant or insured to the Internet website described by Section
21 32.102 and state that the applicant may compare the rates of
22 insurers at that site.

23 SECTION 5. The change in law made by this Act applies only
24 to a residential property insurance policy delivered, issued for
25 delivery, or renewed on or after January 1, 2014. A policy
26 delivered, issued for delivery, or renewed before January 1, 2014,
27 is governed by the law in effect immediately before the effective

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1 date of this Act, and that law is continued in effect for that
2 purpose.

3 SECTION 6. This Act takes effect September 1, 2013.