

By: Carona

S.B. No. 698

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the refund of unearned premium for a personal
3 automobile or residential property insurance policy.

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

5 SECTION 1. Section 558.002, Insurance Code, is amended by
6 adding Subsections (d) and (e) to read as follows:

7 (d) An insurer shall refund the appropriate portion of any
8 unearned premium to the policyholder not later than the 15th
9 business day after the effective date of cancellation or
10 termination of a policy of personal automobile or residential
11 property insurance, as those terms are defined by Section 2301.051.

12 (e) For purposes of this section, "business day" means a day
13 other than a Saturday, Sunday, or holiday recognized by this state.

14 SECTION 2. Section 558.002, Insurance Code, as amended by
15 this Act, applies only to an insurance policy delivered, issued for
16 delivery, or renewed on or after September 1, 2013. A policy that
17 is delivered, issued for delivery, or renewed before September 1,
18 2013, is governed by the law as it existed immediately before the
19 effective date of this Act, and that law is continued in effect for
20 that purpose.

21 SECTION 3. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2013.