

By: Frullo

H.B. No. 3980

Substitute the following for H.B. No. 3980:

By: Frullo

C.S.H.B. No. 3980

A BILL TO BE ENTITLED

AN ACT

1
2 relating to requiring a coverage summary or other informational
3 material to accompany certain insurance policies; adding a
4 provision that may be subject to a criminal penalty.

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

6 SECTION 1. Subchapter A, Chapter 521, Insurance Code, is
7 amended by adding Section 521.006 to read as follows:

8 Sec. 521.006. COVERAGE SUMMARY TO ACCOMPANY CERTAIN
9 POLICIES. (a) In this section:

10 (1) "Insurer" means:

11 (A) an insurer, as defined by Section 38.002(a);

12 or

13 (B) a farm mutual insurance company.

14 (2) "Personal automobile insurance" and "residential
15 property insurance" have the meanings assigned by Section
16 38.002(a).

17 (b) This section applies to an insurer and an insurer's
18 agent.

19 (c) Each personal automobile or residential property
20 insurance policy delivered or issued for delivery in this state
21 shall include with the policy a coverage summary or other
22 informational material that helps the policyholder understand the
23 insurance policy.

24 (d) The coverage summary or other informational material

1 does not:

2 (1) alter, amend, or extend the coverage or terms or
3 conditions provided by the policy; or

4 (2) create a private right of action by an insured
5 against an insurer or an insurer's agent.

6 (e) The commissioner by rule may adopt requirements for a
7 coverage summary or other informational material required by this
8 section.

9 SECTION 2. This Act applies only to an insurance policy that
10 is delivered, issued for delivery, or renewed on or after January 1,
11 2016. A policy delivered, issued for delivery, or renewed before
12 January 1, 2016, is governed by the law as it existed immediately
13 before the effective date of this Act, and that law is continued in
14 effect for that purpose.

15 SECTION 3. This Act takes effect January 1, 2016.