

By: Rodríguez

S.B. No. 600

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to underinsured motorist coverage in personal automobile  
3 insurance policies.

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

5 SECTION 1. Sections 1952.103 and 1952.106, Insurance Code,  
6 are amended to read as follows:

7 Sec. 1952.103. UNDERINSURED MOTOR VEHICLE. For purposes of  
8 the coverage required by this subchapter, "underinsured motor  
9 vehicle" means an insured motor vehicle to which a liability  
10 insurance policy applies if that policy's limit of liability:

11 (1) is insufficient to pay the full amount the person  
12 covered by the underinsured motorist coverage is legally entitled  
13 to recover as damages; or

14 (2) has been reduced by the payment of claims to an  
15 amount that is insufficient to pay the full amount the person  
16 covered by the underinsured motorist coverage is legally entitled  
17 to recover as damages [~~on which there is collectible liability~~  
18 ~~insurance coverage with limits of liability for the owner or~~  
19 ~~operator that were originally lower than, or have been reduced by~~  
20 ~~payment of claims arising from the same accident to, an amount less~~  
21 ~~than the limit of liability stated in the underinsured coverage of~~  
22 ~~the insured's policy].~~

23 Sec. 1952.106. RECOVERY UNDER UNDERINSURED MOTORIST  
24 COVERAGE. Underinsured motorist coverage must provide for payment,

1 up to the underinsured motorist coverage limit, to the insured of  
2 all amounts that the insured is legally entitled to recover as  
3 damages from owners or operators of underinsured motor vehicles  
4 because of bodily injury or property damage. Those damages may be  
5 ~~not to exceed the limit specified in the insurance policy, and~~  
6 reduced by the amount recovered or recoverable from the insurer of  
7 the underinsured motor vehicle.

8 SECTION 2. This Act takes effect immediately if it receives  
9 a vote of two-thirds of all the members elected to each house, as  
10 provided by Section 39, Article III, Texas Constitution. If this  
11 Act does not receive the vote necessary for immediate effect, this  
12 Act takes effect September 1, 2015.