

By: Seliger

S.B. No. 1227

A BILL TO BE ENTITLED

AN ACT

relating to payment of covered claims based on assignment.

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

SECTION 1. Section 462.201, Insurance Code, is amended to read as follows:

Sec. 462.201. COVERED CLAIMS IN GENERAL. A claim is a covered claim if:

(1) the claim is an unpaid claim;

(2) the claim is made under an insurance policy to which this chapter applies that is:

(A) issued by an insurer authorized to engage in business in this state; or

(B) assumed by an insurer authorized to engage in business in this state that issues an assumption certificate to the insured;

(3) the claim arises out of the policy and is within the coverage and applicable limits of the policy;

(4) the insurer that issued the policy or assumed the policy under an assumption certificate issued to the insured is an impaired insurer; and

(5) the claim:

(A) is made by a liability claimant or insured who is a resident of this state at the time of the insured event;

~~or~~

1 (B) is a first-party claim for damage to property
2 that is permanently located in this state; or
3 (C) is made by a person holding a valid
4 assignment of a claim described by Paragraph (A) or (B) or Section
5 462.202.

6 SECTION 2. The change in law made by this Act applies only
7 to a claim under Chapter 462, Insurance Code, in relation to an
8 insurer that is designated as an impaired insurer on or after the
9 effective date of this Act. A claim under Chapter 462, Insurance
10 Code, in relation to an insurer that is designated as an impaired
11 insurer before the effective date of this Act is governed by the law
12 as it existed immediately before the effective date of this Act, and
13 that law is continued in effect for that purpose.

14 SECTION 3. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2015.