

By: Murr

H.B. No. 849

A BILL TO BE ENTITLED

AN ACT

relating to notice to certain lienholders of cancellation of certain automobile insurance coverages.

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

SECTION 1. Subchapter C, Chapter 551, Insurance Code, is amended by adding Section 551.1041 to read as follows:

Sec. 551.1041. NOTICE OF CANCELLATION OF CERTAIN NAMED DRIVER OR PERSONAL AUTOMOBILE INSURANCE COVERAGES. (a) Except as provided by Subsection (b), an insurer that cancels a named driver or personal automobile insurance policy that provides comprehensive or collision physical damage coverage for an automobile that is subject to a purchase money lien shall, not later than the 10th day before the effective date of the cancellation, notify the lienholder, if known, that the coverage will be cancelled.

(b) An insurer that cancels an insurance policy described by Subsection (a) at the request of the insured shall notify the lienholder of the cancellation as soon as practicable after the date the insurer receives the insured's request for the cancellation.

(c) Notice under this section is complete on the date the insurer:

(1) deposits the notice in the United States mail, postage prepaid and addressed to the lienholder at the lienholder's

1 last known address; or

2 (2) sends the notice to a facsimile number or
3 electronic mail address provided by the lienholder for the purpose
4 of receiving notice.

5 SECTION 2. Section 551.1041, Insurance Code, as added by
6 this Act, applies only to the cancellation of a named driver or
7 personal automobile insurance policy that is delivered, issued for
8 delivery, or renewed on or after March 1, 2018. The cancellation of
9 a policy delivered, issued for delivery, or renewed before March 1,
10 2018, is governed by the law as it existed immediately before the
11 effective date of this Act, and that law is continued in effect for
12 that purpose.

13 SECTION 3. This Act takes effect January 1, 2018.