

By: Murr

H.B. No. 849

A BILL TO BE ENTITLED

AN ACT

1
2 relating to notice to certain lienholders of cancellation of
3 certain personal automobile insurance coverages.

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

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

7 Sec. 551.1041. NOTICE OF CANCELLATION OF CERTAIN PERSONAL
8 AUTOMOBILE INSURANCE COVERAGES. An insurer that cancels a personal
9 automobile insurance policy that provides comprehensive or
10 collision physical damage coverage for an automobile that is
11 subject to a purchase money lien shall, not later than the 10th day
12 before the effective date of the cancellation, notify the
13 lienholder, if known, that the coverage will be cancelled.

14 SECTION 2. Section 551.1041, Insurance Code, as added by
15 this Act, applies only to the cancellation of a personal automobile
16 insurance policy that is delivered, issued for delivery, or renewed
17 on or after January 1, 2018. The cancellation of a policy
18 delivered, issued for delivery, or renewed before January 1, 2018,
19 is governed by the law as it existed immediately before the
20 effective date of this Act, and that law is continued in effect for
21 that purpose.

22 SECTION 3. This Act takes effect September 1, 2017.