

By: Davis of Dallas

H.B. No. 3468

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the disclosure of insurance company affiliates to
3 insurance policyholders.

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

5 SECTION 1. Chapter 525, Insurance Code, is amended by
6 designating Sections 525.001, 525.002, and 525.003 as Subchapter A
7 and adding a subchapter heading to read as follows:

8 SUBCHAPTER A. DELIVERY OF INSURANCE POLICIES BY CERTAIN INSURERS

9 SECTION 2. Sections 525.001, 525.002, and 525.003,
10 Insurance Code, are amended to read as follows:

11 Sec. 525.001. APPLICABILITY OF SUBCHAPTER [~~CHAPTER~~]. This
12 subchapter [~~chapter~~] applies to:

13 (1) an insurer, as defined by Section 2301.051,
14 writing personal automobile insurance or residential property
15 insurance, as defined by Section 2301.051, in this state;

16 (2) the Texas Windstorm Insurance Association;

17 (3) the FAIR Plan Association; and

18 (4) the Texas Automobile Insurance Plan Association.

19 Sec. 525.002. DELIVERY OF INSURANCE POLICIES. (a) Except
20 as provided by Subsection (b), an insurer to whom this subchapter
21 [~~chapter~~] applies shall deliver a policy issued by the insurer to
22 the policyholder, or to the insurer's agent for delivery to the
23 policyholder:

24 (1) not later than:

1 (A) the 30th day after the effective date of the
2 policy if the policy term is more than 30 days; or

3 (B) the 10th day after the effective date of the
4 policy if the policy term is more than 10 days and less than 31 days;
5 or

6 (2) within the policy period for a policy with a term
7 of 10 days or less.

8 (b) An insurer to whom this subchapter [~~chapter~~] applies
9 shall deliver a policy renewed or amended by the insurer to the
10 policyholder, or to the insurer's agent for delivery to the
11 policyholder, not later than the 15th day after the date the insurer
12 or insurer's agent receives a written request from the policyholder
13 that the policy be delivered to the policyholder.

14 Sec. 525.003. RULEMAKING AUTHORITY. The commissioner may
15 adopt rules to implement this subchapter [~~chapter~~].

16 SECTION 3. Chapter 525, Insurance Code, is amended by
17 adding Subchapter B to read as follows:

18 SUBCHAPTER B. REQUIRED DISCLOSURES

19 Sec. 525.051. DEFINITION. In this subchapter, "affiliate"
20 means a company that directly, or indirectly through one or more
21 intermediaries, controls, is controlled by, or is under common
22 control with another company. A subsidiary of a company is an
23 affiliate of the company.

24 Sec. 525.052. APPLICABILITY OF SUBCHAPTER. This subchapter
25 applies to an entity authorized to engage in the business of
26 insurance in this state.

27 Sec. 525.053. DISCLOSURE OF AFFILIATES. (a) An insurer

1 that delivers a policy issued or renewed by the insurer to a
2 policyholder or to the policyholder's agent for delivery to the
3 policyholder shall include with the policy a disclosure of the
4 insurer's affiliates.

5 (b) The disclosure required by Subsection (a) may be
6 delivered electronically in accordance with Section 35.004.

7 SECTION 4. Subchapter B, Chapter 525, Insurance Code, as
8 added by this Act, applies only to an insurance policy that is
9 delivered, issued for delivery, or renewed on or after January 1,
10 2018. An insurance policy delivered, issued for delivery, or
11 renewed before January 1, 2018, is governed by the law as it existed
12 immediately before the effective date of this Act, and that law is
13 continued in effect for that purpose.

14 SECTION 5. This Act takes effect September 1, 2017.