

BILL ANALYSIS

Senate Research Center
86R20447 SCL-D

H.B. 1555
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It has been suggested that consumers would benefit from personal automobile insurance or residential property insurance coverage explanations that use layman's terms rather than legally specific language, but that the lack of precision in language might leave the document susceptible to litigation based on differences between the actual policy and the summary. H.B. 1555 seeks to incentivize development of plain language explanatory documents by establishing that such summaries are not part of an insurance policy, do not change the terms of the insurance contract, and are not admissible as evidence of policy coverage.

H.B. 1555 amends current law relating to the status of personal automobile or residential property insurance policy summary documents.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 2301, Insurance Code, by adding Section 2301.057, as follows:

Sec. 2301.057. CERTAIN DOCUMENTS NOT PART OF FORM. (a) Provides that a document providing a summary of a policy of personal automobile insurance or residential property insurance or a summary of an endorsement to such a policy or other ancillary material, including an advertisement for the policy or endorsement, is not part of the policy or endorsement form.

(b) Provides that a summary described by Subsection (a) does not modify the provisions of the insurance policy for which the summary was provided.

(c) Provides that a summary described by Subsection (a) is not admissible as evidence of the coverage provided by the insurance policy for which the summary is provided.

SECTION 2. Effective date: upon passage or September 1, 2019.