

By: Hughes

S.B. No. 1935

A BILL TO BE ENTITLED

AN ACT

relating to recovery under uninsured and underinsured motorist insurance coverage.

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

SECTION 1. Subchapter C, Chapter 1952, Insurance Code, is amended by adding Sections 1952.1061, 1952.1062, and 1952.1063 to read as follows:

Sec. 1952.1061. NOTICE OF CLAIM FOR UNFAIR SETTLEMENT PRACTICE. For the purpose of Section 541.060, an insured may provide notice of a claim for uninsured or underinsured motorist coverage by providing a written notification to the insurer that reasonably informs the insurer of the facts of the claim.

Sec. 1952.1062. LEGAL DETERMINATION NOT PREREQUISITE TO RECOVERY FOR UNFAIR SETTLEMENT PRACTICE. A judgment or other legal determination establishing the other motorist's liability or the extent of the insured's damages is not a prerequisite to recovery in an action under Section 541.151 for a violation of Section 541.060.

Sec. 1952.1063. LIMITATION ON EXTRA-CONTRACTUAL CAUSES OF ACTION. In regard to a claim for uninsured or underinsured motorist coverage, the only extra-contractual cause of action available to an insured is provided by Section 541.151 to recover damages under Section 541.152 for a violation of Section 541.060.

SECTION 2. (a) Except as provided by this section, the change in law made by this Act applies only to a cause of action that

1 accrues on or after the effective date of this Act. A cause of
2 action that accrues before the effective date of this Act is
3 governed by the law in effect immediately before that date, and that
4 law is continued in effect for that purpose.

5 (b) The change in law made by this Act does not affect the
6 enforceability of any provision in an insurance policy delivered,
7 issued for delivery, or renewed before January 1, 2022, that
8 conflicts with the change in law made by this Act.

9 SECTION 3. This Act takes effect September 1, 2021.