

By: Capriglione

H.B. No. 1656

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the payment of deductibles under automobile insurance  
3 policies.

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

5 SECTION 1. Sections 27.02(a), (b), and (c), Business &  
6 Commerce Code, are amended to read as follows:

7 (a) In this section:

8 (1) "Automobile insurance policy" means an insurance  
9 policy issued by an insurer, including a county mutual insurance  
10 company, Lloyd's plan, or reciprocal or interinsurance exchange,  
11 that provides first-party coverage for loss of or damage to an  
12 automobile.

13 (2) "Property [~~,"property]~~ insurance policy" has the  
14 meaning assigned by Section 707.001, Insurance Code.

15 (b) A contract to provide a good or service that is  
16 reasonably expected to be paid wholly or partly from the proceeds of  
17 a claim under a property or automobile insurance policy and that has  
18 a contract price of \$1,000 or more must contain the following notice  
19 in at least 12-point boldfaced type: "Texas law requires a person  
20 insured under a property or automobile insurance policy to pay any  
21 deductible applicable to a claim made under the policy. It is a  
22 violation of Texas law for a seller of goods or services who  
23 reasonably expects to be paid wholly or partly from the proceeds of  
24 a property or automobile insurance claim to knowingly allow the

1 insured person to fail to pay, or assist the insured person's  
2 failure to pay, the applicable insurance deductible."

3 (c) A person who sells goods or services commits an offense  
4 if the person:

5 (1) advertises or promises to provide a good or  
6 service to an insured under a property or automobile insurance  
7 policy in a transaction in which:

8 (A) the good or service will be paid for by the  
9 insured from the proceeds of a property or automobile insurance  
10 claim; and

11 (B) the person selling the good or service will,  
12 without the insurer's consent:

13 (i) pay, waive, absorb, or otherwise  
14 decline to charge or collect the amount of the insured's  
15 deductible;

16 (ii) provide a rebate or credit in  
17 connection with the sale of the good or service that will offset all  
18 or part of the amount paid by the insured as a deductible; or

19 (iii) in any other manner assist the  
20 insured in avoiding monetary payment of the required insurance  
21 deductible; or

22 (2) provides a good or service to an insured under a  
23 property or automobile insurance policy knowing that the insured  
24 will pay for the good or service with the proceeds of a claim under  
25 the policy and, without the insurer's consent:

26 (A) pays, waives, absorbs, or otherwise declines  
27 to charge or collect the amount of the insured's deductible;

1           (B) provides a rebate or credit in connection  
2 with the sale of the good or service that offsets all or part of the  
3 amount paid by the insured as a deductible; or

4           (C) in any other manner assists the insured in  
5 avoiding monetary payment of the required insurance deductible.

6           SECTION 2. (a) Section 27.02, Business & Commerce Code, as  
7 amended by this Act, applies only to an offense committed on or  
8 after the effective date of this Act. An offense committed before  
9 the effective date of this Act is governed by the law in effect on  
10 the date the offense was committed, and the former law is continued  
11 in effect for that purpose. For purposes of this subsection, an  
12 offense was committed before the effective date of this Act if any  
13 element of the offense occurred before that date.

14           (b) Section 27.02(b), Business & Commerce Code, as amended  
15 by this Act, applies only to a contract entered into on or after the  
16 effective date of this Act. A contract entered into before the  
17 effective date of this Act is governed by the law as it existed  
18 immediately before the effective date of this Act, and that law is  
19 continued in effect for that purpose.

20           SECTION 3. This Act takes effect September 1, 2023.