

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 956
By: Eltife
Business & Commerce
4/21/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law does not set a deadline by which insurers must deliver personal automobile or residential property insurance policies to policyholders. S.B. 956 sets requirements for timely policy delivery based on the length of the policy. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 956 amends current law relating to the delivery of personal automobile and residential property insurance policies and adds provisions that may be subject to a criminal penalty.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 525.003, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle B, Title 5, Insurance Code, by adding Chapter 525, as follows:

CHAPTER 525. DELIVERY OF INSURANCE POLICIES

Sec. 525.001. APPLICABILITY OF CHAPTER. Provides that this chapter applies to:

- (1) an insurer, as defined by Section 2301.051 (Definitions), writing personal automobile insurance or residential property insurance, as defined by Section 2301.051, in this state;
- (2) the Texas Windstorm Insurance Association;
- (3) the FAIR Plan Association; and
- (4) the Texas Automobile Insurance Plan Association.

Sec. 525.002. DELIVERY OF INSURANCE POLICIES. (a) Requires an insurer to whom this chapter applies, except as provided by Subsection (b), to deliver a policy issued by the insurer to the policyholder, or to the insurer's agent for delivery to the policyholder:

- (1) not later than:
 - (A) the 30th day after the effective date of the policy if the policy term is more than 30 days; or
 - (B) the 10th day after the effective date of the policy if the policy term is more than 10 days and less than 31 days; or
- (2) within the policy period for a policy with a term of 10 days or less.

(b) Requires an insurer to whom this chapter applies to deliver a policy renewed or amended by the insurer to the policyholder, or to the insurer's agent for delivery to the policyholder, not later than the 15th day after the date the insurer

or insurer's agent receives a written request from the policyholder that the policy be delivered to the policyholder.

Sec. 525.003. RULEMAKING AUTHORITY. Authorizes the commissioner of insurance to adopt rules to implement this chapter.

SECTION 2. Makes application of Chapter 525, Insurance Code, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2015.