

BILL ANALYSIS

Senate Research Center
84R11362 PMO-F

S.B. 956
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Business & Commerce
4/15/2015
As Filed

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.

As proposed, 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

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

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 an insurer, as defined by Section 38.002 (Underwriting Guidelines for Personal Automobile and Residential Property Insurance; Filing; Confidentiality), writing personal automobile insurance or residential property insurance, as defined by Section 2301.051 (Definitions), in this state.

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

(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 or the insurer's agent to deliver a policy renewed or amended by the insurer 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.

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

SECTION 3. Effective date: September 1, 2015.