

## **BILL ANALYSIS**

Senate Research Center  
80R5170 PB-D

S.B. 1159  
By: Jackson, Mike  
Business & Commerce  
4/30/2007  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current law prohibits an insurer from specifying the brand, type, kind, age, vendor, supplier, or condition of parts used to repair a motor vehicle and from limiting the beneficiary of a policy to selecting a particular repair person or facility to repair the covered damage. However, it has been unsuccessful at curtailing the practice of an insurer requiring its clients, in practice, to select a repair shop of the insurer's choice due to the specification of a maximum amount the company will pay to repair the vehicle.

As proposed, S.B. 1159 prohibits an insurance company from specifying the maximum labor charges for a vehicle repair that the company will cover and from requiring a policy holder to select a repair facility from a list provided by the insurer.

### **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 Section 1952.301(a), Insurance Code, to prohibit an insurer from directly or indirectly limiting the insurer's coverage under a policy covering damage to a motor vehicle by specifying maximum labor charges for vehicle repairs or limiting the policy beneficiary to selecting a repairing entity to repair the vehicle from a list provided by the insurer, in addition to other existing prohibitions.

SECTION 2. Makes application of this Act prospective to January 1, 2008.

SECTION 3. Effective date: September 1, 2007.