

H.B. 52

INSURANCE CODE AMENDMENTS

SENATE FLOOR AMENDMENTS

AMENDMENT 3

FEBRUARY 6, 2009 10:35 AM

Senator **John L. Valentine** proposes the following amendments:

1. Page 78, Line 2401 through Page 79, Line 2420:

2401 (3) (a) In the case of an employer who has received the premium by deducting all or
2402 part of it from the wages or salaries of the certificate holders, the insurer may terminate its
2403 liability by giving notice of coverage termination to:

2404 (i) the certificate holders [~~reasonable notice of coverage termination~~];

2405 (ii) the policyholder; and

2406 (iii) the producer, if any, for the policy.

(b) The insurer may not send the notice required by Subsection (3)(a) to a certificate holder before 20 days after the day on which premium is due and unpaid.

2407 ~~{ (b) }~~ (c) The liability of the insurer for the losses covered by the insurance terminates at the
2408 later of:

2409 ~~{ (a) }~~ (i) the last day of the coverage period for which premium has been withheld by
2410 the employer; ~~{ or }~~

2411 ~~{ (b) - 15 }~~ (ii) ten days after the date the insurer mails ~~{ actual }~~ notice to the certificate
2412 holder that coverage has terminated~~[, but in the event]; or~~

2413 (iii) if the insurer fails to provide ~~{ actual }~~ notice as required by this Subsection (3),
2414 ~~[then the liability of the insurer for losses described in Subsection (1) shall terminate]~~ 45 days
2415 from the last date for which premium ~~{ was }~~ is received. ~~[While the insurer shall be liable for~~
2416 ~~losses as herein provided, the provisions of this section apply only to apportion the liability for~~
2417 ~~those losses described and do not operate to extend any insurance contract policy or coverage~~
2418 ~~beyond its date of termination nor alter or amend provisions thereof.]~~

2419 ~~{ (c) The insurer may not send the notice required by Subsection (3)(a) to a certificate~~
2420 ~~holder before 20 days after the day on which premium is due and unpaid. }~~