

By: Thompson of Brazoria

H.B. No. 1039

A BILL TO BE ENTITLED

AN ACT

relating to coverage of additional living expenses under a residential property insurance policy.

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

SECTION 1. Subchapter A, Chapter 2002, Insurance Code, is amended by adding Section 2002.008 to read as follows:

Sec. 2002.008. ADDITIONAL LIVING EXPENSES COVERAGE.

(a) In this section, "residential property insurance" has the meaning assigned by Section 2301.002.

(b) This section applies to each insurer authorized to engage in the business of residential property insurance in this state, including a county mutual insurance company, farm mutual insurance company, Lloyd's plan, and reciprocal or interinsurance exchange.

(c) A residential property insurance policy that includes coverage for additional living expenses must cover the additional living expenses incurred by an insured if the insured property is uninhabitable for a period of at least 24 hours. In this subsection, "uninhabitable" includes a stoppage of water, electricity, sewer, or natural gas service caused by a covered loss on the insured's property.

(d) Coverage required by this section must begin not later than 24 hours after the stoppage of the water, electricity, sewer, or natural gas service.

1 (e) The commissioner may adopt rules to implement this
2 section.

3 SECTION 2. Section 2002.008, Insurance Code, as added by
4 this Act, applies only to an insurance policy delivered, issued for
5 delivery, or renewed on or after January 1, 2024.

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