

By: Burnam

H.B. No. 3390

A BILL TO BE ENTITLED

AN ACT

relating to the prompt processing of mold or water claims.

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

SECTION 1. Section 1, Article 21.55, Insurance Code, is amended by adding Subdivisions (6) and (7) to read as follows:

(6) "Mold" means any form of multicellular fungi that lives on plant or animal matter and in indoor environments.

(7) "Residential property insurance" means insurance issued by an insurer against damage to or loss of a dwelling or its contents provided in a homeowner's insurance policy, residential fire and allied lines insurance policy, farm and ranch insurance policy, or farm and ranch owners insurance policy.

SECTION 2. Section 2, Article 21.55, Insurance Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Except as provided by Subsection (a-1) [~~(a)~~] of this section, an insurer shall, not later than the 15th day after receipt of notice of a claim or the 30th business day if the insurer is an eligible surplus lines insurer:

- (1) acknowledge receipt of the claim;
- (2) commence any investigation of the claim; and
- (3) request from the claimant all items, statements, and forms that the insurer reasonably believes, at that time, will be required from the claimant. Additional requests may be made if

1 during the investigation of the claim such additional requests are
2 necessary.

3 (a-1) An insurer shall, not later than the second business
4 day after receipt of notice of a claim under a residential property
5 insurance policy for damage or loss to covered property as a result
6 of mold or water:

7 (1) acknowledge receipt of the claim;

8 (2) commence any investigation of the claim; and

9 (3) request from the claimant all items, statements,
10 and forms that the insurer reasonably believes, at that time, will
11 be required from the claimant. Additional requests may be made if
12 during the investigation of the claim the additional requests are
13 necessary.

14 SECTION 3. This Act takes effect September 1, 2003, and
15 applies only to a residential property insurance policy that is
16 delivered, issued for delivery, or renewed after January 1, 2004. A
17 policy delivered, issued for delivery, or renewed before January 1,
18 2004, is governed by the law as it existed before the effective date
19 of this Act, and that law is continued in effect for that purpose.