

By: Ritter

H.B. No. 2587

A BILL TO BE ENTITLED

AN ACT

relating to disclosure of insurance coverage for certain expenses incurred because of compliance with an emergency evacuation order.

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

SECTION 1. Subtitle D, Title 10, Insurance Code, is amended by adding Chapter 2009 to read as follows:

CHAPTER 2009. DISCLOSURE REGARDING COVERAGE FOR EXPENSES INCURRED
BECAUSE OF COMPLIANCE WITH EMERGENCY EVACUATION ORDER

Sec. 2009.001. DEFINITIONS. In this chapter:

(1) "Disaster" has the meaning assigned by Section 418.004, Government Code.

(2) "Emergency evacuation order" means an official statement issued by the governing body of this state or a political subdivision of this state, including a declaration of a local disaster under Section 418.108, Government Code, to recommend the evacuation of all or part of the population of an area stricken with or threatened with a disaster.

(3) "Insurer" means an insurer authorized to write residential property insurance, including a county mutual insurance company, a farm mutual insurance company, a Lloyd's plan, and a reciprocal or interinsurance exchange. The term includes the FAIR Plan Association.

(4) "Residential property insurance" means property or property and casualty insurance covering a dwelling, including:

- 1 (A) homeowners insurance;
- 2 (B) residential fire and allied lines insurance;
- 3 (C) farm and ranch insurance; and
- 4 (D) farm and ranch owners insurance.

5 Sec. 2009.002. DISCLOSURE TO POLICYHOLDER REQUIRED. (a) An
6 insurer that issues a residential property insurance policy in this
7 state shall disclose to each policyholder in writing:

8 (1) whether the coverage provided under the policy
9 includes coverage for any additional living expenses incurred by
10 the policyholder because of compliance by the policyholder with an
11 emergency evacuation order; and

12 (2) if coverage for the additional living expenses is
13 provided, the limits applicable to that coverage.

14 (b) An insurer shall provide the disclosure in a statement
15 separate from the policy on issuance and on renewal of the policy.

16 Sec. 2009.003. COMMISSIONER RULES. The commissioner by
17 rule shall prescribe the form and content of the disclosure notice
18 required under Section 2009.002.

19 SECTION 2. This Act applies only to an insurance policy
20 delivered, issued for delivery, or renewed on or after January 1,
21 2008. A policy delivered, issued for delivery, or renewed before
22 January 1, 2008, is governed by the law as it existed immediately
23 before the effective date of this Act, and that law is continued in
24 effect for that purpose.

25 SECTION 3. This Act takes effect September 1, 2007.