

By: Vaught

H.B. No. 3810

A BILL TO BE ENTITLED

AN ACT

relating to residential property insurance coverage for damages arising out of a sanitary sewer system backup.

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

SECTION 1. Subchapter A, Chapter 2002, Insurance Code, as effective April 1, 2007, is amended by adding Section 2002.007 to read as follows:

Sec. 2002.007. DAMAGE OR LOSS ARISING OUT OF SANITARY SEWER BACKUP. An insurer that issues a residential property insurance policy must provide coverage in the policy, or an option to purchase additional coverage in connection with the policy, for property damage or loss arising from the backup of a sanitary sewer connected to the covered property. The insurer may not deny a claim for damage or loss for which a governmental unit would be liable under Section 101.021, Civil Practice and Remedies Code, if the damage or loss would otherwise be covered under the policy.

SECTION 2. Section 2002.007, Insurance Code, as added by this Act, applies only to an insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2008. An insurance policy delivered, issued for delivery, or renewed before January 1, 2008, is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect September 1, 2007.