

By: Taylor

H.B. No. 2125

Substitute the following for H.B. No. 2125:

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C.S.H.B. No. 2125

A BILL TO BE ENTITLED

AN ACT

relating to attorney's fees and interest rates that may be awarded in connection with certain property insurance claims.

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

SECTION 1. Subtitle A, Title 10, Insurance Code, is amended by adding Chapter 1808 to read as follows:

CHAPTER 1808. CLAIMS FOR PROPERTY LOSSES

Sec. 1808.001. DEFINITION. In this chapter, "claim for property losses" means a request for payment under an insurance policy for damage to or loss of real property or tangible personal property alleged to be covered by the policy.

Sec. 1808.002. APPLICABILITY OF CHAPTER. (a) Except as provided by Subsection (b), this chapter applies to any claim under or related to an insurance policy that provides insurance coverage against damage to or loss of real property or tangible personal property, including a policy issued by an insurance company, reciprocal or interinsurance exchange, mutual insurance company, capital stock insurance company, county mutual insurance company, Lloyd's plan, or other legal entity authorized to write property insurance in this state.

(b) This chapter does not apply to a claim under a policy issued by:

(1) the Texas Windstorm Insurance Association;

(2) the FAIR Plan Association; or

1 (3) the Texas Automobile Insurance Plan Association.

2 Sec. 1808.003. ATTORNEY'S FEES. An insured that brings an
3 action against an insurer pertaining to a claim for property losses
4 may not recover attorney's fees in an amount that is greater than 40
5 percent of the amount by which the property loss determined to be
6 owed under the policy exceeds any amount of loss the insurer has
7 already paid for the claim.

8 Sec. 1808.004. LIABILITY FOR VIOLATION OF SUBCHAPTER B,
9 CHAPTER 542. Interest awarded to an insured under Section 542.060
10 in connection with a claim for property losses must be computed
11 using the postjudgment interest rate determined under Section
12 304.003, Finance Code, and is limited to that amount.

13 SECTION 2. Chapter 1808, Insurance Code, as added by this
14 Act, applies only to a claim under or related to an insurance policy
15 delivered, issued for delivery, or renewed on or after January 1,
16 2014. A claim under or related to an insurance policy delivered,
17 issued for delivery, or renewed before January 1, 2014, is governed
18 by the law applicable to the claim immediately before the effective
19 date of this Act, and that law is continued in effect for that
20 purpose.

21 SECTION 3. This Act takes effect September 1, 2013.