

By: Davis of Dallas

H.B. No. 2146

A BILL TO BE ENTITLED

1 AN ACT
2 relating to denial or reduction of certain claims under a
3 residential property insurance policy.

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

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

7 Sec. 2002.007. DENIAL OR REDUCTION OF CLAIM BEFORE
8 DISCOVERY PROHIBITED. (a) A residential property insurance policy
9 must contain a provision that prohibits the denial of a claim for
10 loss or damage to property or the reduction in the amount paid under
11 the claim if:

12 (1) the loss or damage is not obvious or readily
13 apparent to the insured; and

14 (2) the denial or reduction is based on the insured's
15 failure to file the claim before the insured:

16 (A) discovers the loss or damage; or

17 (B) reasonably should have discovered the loss or
18 damage described by Paragraph (A).

19 (b) A residential insurance policy may contain a provision
20 that requires an insured to report a claim described by Subsection
21 (a)(1) within a reasonable period, as determined by the
22 commissioner, after the date the damage is discovered.

23 SECTION 2. The changes in law made by this Act apply only to
24 a residential property insurance policy delivered, issued for

1 delivery, or renewed on or after January 1, 2018. A residential
2 property insurance policy delivered, issued for delivery, or
3 renewed before January 1, 2018, is governed by the law in effect
4 immediately before the effective date of this Act, and that law is
5 continued in effect for that purpose.

6 SECTION 3. This Act takes effect September 1, 2017.