

By: Phillips

H.B. No. 3579

A BILL TO BE ENTITLED

AN ACT

1
2 relating to coverage for water damage claims for residential
3 property insurance policies.

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

5 SECTION 1. Subchapter A, Chapter 2002, Insurance Code is
6 amended to add the following section:

7 Sec. 2002.007. Coverage for Residential Property Water
8 Damage Claims. (a) If a residential property policy, including an
9 endorsement, provides coverage for loss resulting from continuous
10 or repeated seepage or leakage of water or steam, the policy must
11 not restrict coverage, and the insurer must not deny a claim, based
12 on the duration of the seepage or leakage if an insured notifies
13 the insurer no later than 30 days after the loss was discovered or
14 should have been discovered.

15 (b) The insurer must provide a written disclosure to the
16 policyholder that clearly describes the 30-day notice requirement
17 in subsection (a) of this section. The insurer must include the
18 disclosure on the declarations page, or a separate disclosure page
19 provided to the policyholder with the declarations page.

20 (c) This section applies to an insurer as defined in Section
21 544.352(2), writing residential property insurance as defined in
22 Section 544.352(3) in this state.

23 (d) The commissioner may adopt rules as necessary to
24 implement this section.

1 SECTION 2. Section 2002.007, Insurance Code, as amended by
2 this Act, applies only to an insurance policy that is delivered,
3 issued for delivery, or renewed on or after January 1, 2018. A
4 policy delivered, issued for delivery, or renewed before January 1,
5 2018, is governed by the law as it existed immediately before the
6 effective date of this Act, and that law is continued in effect for
7 that purpose.

8 SECTION 3. This Act takes effect January 1, 2018.