86R28141 SMT-F

By:  Lucio III H.B. No. 2686

Substitute the following for H.B. No. 2686:

By:  Lucio III C.S.H.B. No. 2686

A BILL TO BE ENTITLED

AN ACT

relating to a dispute relating to a denial of coverage by the Texas Windstorm Insurance Association.

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

SECTION 1.  Section 2210.573, Insurance Code, is amended by adding Subsection (d-1) to read as follows:

(d-1)  Subject to Section 2210.575, if the association wholly or partly denies a claim under this section, a claimant may maintain an action against the association concerning the denial regardless of whether the association later accepts the previously denied portion of the claim.

SECTION 2.  Section 2210.576(a), Insurance Code, is amended to read as follows:

(a)  The only issues a claimant may raise in an action brought against the association under Section 2210.575 are:

(1)  whether the association's denial of coverage was proper, regardless of whether the association later accepts the claim; and

(2)  the amount of the damages described by Subsection (b) to which the claimant is entitled, if any.

SECTION 3.  The change in law made by this Act applies only to a claim filed on or after the effective date of this Act. A claim filed before the effective date of this Act is governed by the law applicable to the claim immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 4.  This Act takes effect September 1, 2019.