

By: Perez

H.B. No. 283

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a disclosure regarding flood coverage under a
3 commercial or residential property insurance policy.

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

5 SECTION 1. Subchapter C, Chapter 2002, Insurance Code, is
6 amended by adding Section 2002.103 to read as follows:

7 Sec. 2002.103. DISCLOSURE REGARDING FLOOD COVERAGE
8 REQUIRED. (a) In this section:

9 (1) "Commercial property insurance" means insurance
10 coverage against damage to or loss of real or tangible personal
11 property at a fixed location that is provided through:

12 (A) a commercial fire or allied lines insurance
13 policy; or

14 (B) as authorized by commissioner rule, a
15 commercial property insurance policy covering other perils or
16 providing other coverages or other lines of first party property
17 insurance.

18 (2) "Residential property insurance" means insurance
19 coverage against damage to or loss of residential real or tangible
20 personal property at a fixed location that is provided through:

21 (A) a homeowners insurance policy, including a
22 tenants insurance policy;

23 (B) a condominium owners insurance policy;

24 (C) a residential fire and allied lines insurance

1 policy;

2 (D) a farm and ranch insurance policy; or

3 (E) a farm and ranch owners insurance policy.

4 (b) This section applies to each insurer authorized to
5 engage in the business of commercial or residential property
6 insurance in this state, including a county mutual insurance
7 company, farm mutual insurance company, Lloyd's plan, and
8 reciprocal or interinsurance exchange.

9 (c) An insurer that issues a commercial or residential
10 property insurance policy that does not provide coverage against
11 loss caused by flooding shall include at the top of the policy's
12 declarations page the following statement: "WARNING: THIS POLICY
13 DOES NOT PROVIDE COVERAGE AGAINST LOSS CAUSED BY FLOODING."

14 SECTION 2. Section 2002.103, Insurance Code, as added by
15 this Act, applies only to an insurance policy delivered, issued for
16 delivery, or renewed on or after January 1, 2020. A policy
17 delivered, issued for delivery, or renewed before January 1, 2020,
18 is governed by the law as it existed immediately before the
19 effective date of this Act, and that law is continued in effect for
20 that purpose.

21 SECTION 3. This Act takes effect September 1, 2019.