

By: Oliverson

H.B. No. 1382

A BILL TO BE ENTITLED

AN ACT

relating to a disclosure regarding flood coverage under a residential property insurance policy.

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

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

Sec. 2002.103. DISCLOSURE REGARDING FLOOD COVERAGE REQUIRED. (a) In this section, "residential property insurance" means insurance coverage against damage to or loss of residential real or tangible personal property at a fixed location that is provided through:

(1) a homeowners insurance policy, including a tenants insurance policy;

(2) a condominium owners insurance policy;

(3) a residential fire and allied lines insurance policy;

(4) a farm and ranch insurance policy; or

(5) a farm and ranch owners insurance policy.

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

(c) An insurer that issues or renews a residential property

insurance policy that does not provide coverage against loss caused by flooding shall include with the policy documents the following statement in at least 18-point bold type: "FLOOD INSURANCE: YOU MAY NEED TO CONSIDER THE PURCHASE OF FLOOD INSURANCE. YOUR RESIDENTIAL PROPERTY INSURANCE POLICY DOES NOT INCLUDE COVERAGE FOR DAMAGE RESULTING FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE FLOOD INSURANCE COVERAGE, YOU MAY HAVE UNCOVERED LOSSES CAUSED BY FLOOD. PLEASE DISCUSS THE NEED TO PURCHASE SEPARATE FLOOD INSURANCE COVERAGE WITH YOUR INSURANCE AGENT."

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

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