

By: Davis of Dallas

H.B. No. 4557

A BILL TO BE ENTITLED

AN ACT

relating to a disclosure of coverage for water damage in connection with 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. REQUIRED DISCLOSURE REGARDING COVERAGE LIMITS FOR WATER DAMAGE. (a) In this section, "residential property insurance" has the meaning assigned by Section 2301.002.

(b) Before accepting any premium or fee for a residential property insurance policy, an agent or insurer, including a county mutual insurance company, must make the following disclosure, orally and in writing, to the applicant or insured:

WARNING: THIS POLICY CONTAINS IMPORTANT LIMITS ON COVERAGE FOR WATER DAMAGE. WATER DAMAGE POLICY LIMITS CAN BE FOUND AT (PAGE OR ENDORSEMENT). CAREFULLY REVIEW THESE LIMITS.

(c) Before accepting any premium or fee for a residential property insurance policy, an agent or insurer, including a county mutual insurance company, must receive a copy of the disclosure described by Subsection (b) that is signed by the applicant or insured.

(d) The agent or insurer shall require the applicant or insured to confirm contemporaneously in writing the provision of oral disclosure pursuant to Subsection (b).

1 SECTION 2. This Act applies only to an insurance policy that
2 is delivered, issued for delivery, or renewed on or after January 1,
3 2020. A policy delivered, issued for delivery, or renewed before
4 January 1, 2020, is governed by the law as it existed immediately
5 before the effective date of this Act, and that law is continued in
6 effect for that purpose.

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