

1-1 By: Hancock S.B. No. 442  
 1-2 (In the Senate - Filed January 24, 2019; February 14, 2019,  
 1-3 read first time and referred to Committee on Business & Commerce;  
 1-4 April 10, 2019, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 9, Nays 0; April 10, 2019,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 442 By: Hancock

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to a disclosure regarding flood coverage under a  
 1-22 commercial or residential property insurance policy.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subchapter C, Chapter 2002, Insurance Code, is  
 1-25 amended by adding Section 2002.103 to read as follows:

1-26 Sec. 2002.103. DISCLOSURE REGARDING FLOOD COVERAGE  
 1-27 REQUIRED. (a) In this section:

1-28 (1) "Commercial property insurance" has the meaning  
 1-29 assigned by Section 2301.002, except that the term includes a  
 1-30 commercial multiperil insurance policy that provides commercial  
 1-31 property insurance coverage.

1-32 (2) "Residential property insurance" has the meaning  
 1-33 assigned by Section 2301.002, except that the term includes a farm  
 1-34 and ranch insurance policy and a farm and ranch owners insurance  
 1-35 policy.

1-36 (b) This section applies to each insurer authorized to  
 1-37 engage in the business of commercial or residential property  
 1-38 insurance in this state, including a county mutual insurance  
 1-39 company, farm mutual insurance company, Lloyd's plan, and  
 1-40 reciprocal or interinsurance exchange.

1-41 (c) An insurer that issues or renews a commercial or  
 1-42 residential property insurance policy that does not provide  
 1-43 coverage against loss caused by flooding shall include with the  
 1-44 policy documents provided to the policyholder at the time the  
 1-45 policy is issued or renewed the following statement:

1-46 "Flood Insurance: You may also need to consider the purchase  
 1-47 of flood insurance. Your insurance policy does not include  
 1-48 coverage for damage resulting from a flood even if hurricane winds  
 1-49 and rain caused the flood to occur. Without separate flood  
 1-50 insurance coverage, you may have uncovered losses caused by a  
 1-51 flood. Please discuss the need to purchase separate flood  
 1-52 insurance coverage with your insurance agent or insurance company,  
 1-53 or visit [www.floodsmart.gov](http://www.floodsmart.gov)."

1-54 (d) The statement described by Subsection (c) must be  
 1-55 conspicuous, as defined by Section 1.201, Business & Commerce Code.

1-56 (e) An insurer's failure to comply with this section does  
 1-57 not invalidate any exclusion, including a flood exclusion, in an  
 1-58 insurance policy subject to this section.

1-59 SECTION 2. Section 2002.103, Insurance Code, as added by  
 1-60 this Act, applies only to an insurance policy delivered, issued for

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

2-6 SECTION 3. This Act takes effect September 1, 2019.

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