

By: Johnson of Dallas

H.B. No. 1110

A BILL TO BE ENTITLED

AN ACT

relating to payment of the replacement cost of damaged property under a residential property insurance policy.

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

SECTION 1. Subchapter A, Chapter 2002, Insurance Code, is amended by adding Section 2002.007 to read as follows:

Sec. 2002.007. REPLACEMENT COST COVERAGE REQUIREMENTS. (a) 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.

(b) A residential property insurance policy that includes replacement cost coverage must provide that in a valid claim for damage to insured property, the insurer must pay the full replacement cost of the property without regard to whether the insured has completed repair or replacement of the property.

SECTION 2. Section 2002.007, Insurance Code, as added by this Act, applies only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2022.

SECTION 3. This Act takes effect September 1, 2021.