

By: Capriglione, Oliverson

H.B. No. 1433

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the payment of insurance deductibles for property  
3 insurance claims.

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

5 SECTION 1. Section 27.02(c), Business & Commerce Code, is  
6 amended to read as follows:

7 (c) A person who sells goods or services commits an offense  
8 if the person:

9 (1) advertises or promises to provide a good or  
10 service to an insured under a property insurance policy in a  
11 transaction in which:

12 (A) the good or service will be paid for by the  
13 insured from the proceeds of a property insurance claim; and

14 (B) the person selling the good or service will[  
15 ~~without the insurer's consent~~]:

16 (i) pay, waive, absorb, or otherwise  
17 decline to charge or collect the amount of the insured's  
18 deductible;

19 (ii) provide a rebate or credit in  
20 connection with the sale of the good or service that will offset all  
21 or part of the amount paid by the insured as a deductible; or

22 (iii) in any other manner assist the  
23 insured in avoiding monetary payment of the required insurance  
24 deductible; or

1           (2) provides a good or service to an insured under a  
2 property insurance policy knowing that the insured will pay for the  
3 good or service with the proceeds of a claim under the policy and[  
4 ~~without the insurer's consent~~]:

5           (A) pays, waives, absorbs, or otherwise declines  
6 to charge or collect the amount of the insured's deductible;

7           (B) provides a rebate or credit in connection  
8 with the sale of the good or service that offsets all or part of the  
9 amount paid by the insured as a deductible; or

10           (C) in any other manner assists the insured in  
11 avoiding monetary payment of the required insurance deductible.

12           SECTION 2. Section 707.004, Insurance Code, is amended to  
13 read as follows:

14           Sec. 707.004. [~~REASONABLE PROOF OF~~] PAYMENT OF DEDUCTIBLE.

15 (a) An insurer that issues a property insurance policy with  
16 replacement cost coverage shall [~~may~~] refuse to pay a claim for  
17 withheld recoverable depreciation or a replacement cost holdback  
18 under the policy until the insurer receives reasonable proof of  
19 payment by the policyholder of any deductible applicable to the  
20 claim. Reasonable proof of payment includes a canceled check,  
21 money order receipt, credit card statement, or copy of an executed  
22 installment plan contract or other financing arrangement that  
23 requires full payment of the deductible over time.

24           (b) An insurer waiving a deductible owed by a policyholder  
25 under a property insurance policy for any reason may not require as  
26 a condition the policyholder's use of the insurer's preferred or  
27 recommended contractor for the claim subject to the deductible.

1           SECTION 3. Section 707.004, Insurance Code, as amended by  
2 this Act, applies only to an insurance policy delivered, issued for  
3 delivery, or renewed on or after the effective date of this Act. A  
4 policy delivered, issued for delivery, or renewed before the  
5 effective date of this Act is governed by the law as it existed  
6 immediately before the effective date of this Act, and that law is  
7 continued in effect for that purpose.

8           SECTION 4. This Act takes effect September 1, 2021.