

## **BILL ANALYSIS**

Senate Research Center  
88R22949 CJD-F

H.B. 3310  
By: Lozano (Middleton)  
Business & Commerce  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas Windstorm Insurance Association (TWIA) is the wind and hail insurer of last resort for many property owners in Texas. There is a formal process in place for TWIA policyholders to handle disputes about the amount TWIA will pay for their claim. TWIA's current statute and rules establish deadlines for policyholders to demand appraisal after receiving TWIA's notice of claim acceptance and for TWIA and the policyholder to begin the appraisal process. There is also a deadline established for informing the other party of the fees to be charged when hiring an appraiser. However, there are no deadlines for completing an appraisal. Completing an appraisal timely will benefit both policyholders and TWIA and lead to the timelier resolution of disputes.

This bill comes from TWIA's legislative recommendations contained in their Biennial Legislative Report.

H.B. 3310 seeks to require the commissioner of insurance to adopt rules establishing the period in which TWIA appraisals must be completed.

H.B. 3310 amends current law relating to deadlines for the claims appraisal process of the Texas Windstorm Insurance Association.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 2210.574, Insurance Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2210.574, Insurance Code, by amending Subsection (d) and adding Subsection (d-1), as follows:

(d) Requires that the appraisal under Section 2210.574 (Disputes Concerning Amount of Accepted Coverage), if a claimant demands appraisal, be completed within the period established under Subsection (d-1).

(d-1) Requires the commissioner of insurance (commissioner), in consultation with the Texas Windstorm Insurance Association, to adopt rules establishing the period in which an appraisal demanded under this section is required to be completed. Requires the commissioner, in adopting the rules, to allow flexibility for an adequate investigation of the claim that is the subject of the appraisal and to consider the time necessary to preserve the independence of the appraisers.

SECTION 2. Requires the commissioner, not later than January 1, 2024, to adopt rules required by Section 2210.574, Insurance Code, as amended by this Act.

SECTION 3. Makes application of Section 2210.574, Insurance Code, as amended by this Act, prospective to January 1, 2024.

SECTION 4. Effective date: September 1, 2023.