

BILL ANALYSIS

C.S.H.B. 3310
By: Lozano
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 3310 amends the Insurance Code to require the commissioner of insurance, not later than January 1, 2024, and in consultation with the Texas Windstorm Insurance Association (TWIA), to adopt rules establishing the period in which the appraisal must be completed for a claimant demanding appraisal as a result of a dispute concerning the amount of loss for which TWIA will pay in a claim. The bill 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 consider the time necessary to preserve the independence of the appraisers. This bill applies only to an appraisal demanded on or after January 1, 2024.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3310 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a requirement absent from the introduced for the commissioner, in adopting the rules, to allow flexibility for an adequate investigation of the claim that is the subject of the appraisal and consider the time necessary to preserve the independence of the appraisers.

Whereas the introduced established a January 1, 2024, effective date for the bill, the substitute changes the effective date to September 1, 2023. However, the substitute includes a provision absent from the introduced establishing that the bill's changes apply only to an appraisal demanded on or after January 1, 2024. In addition, the substitute includes a January 1, 2024, deadline for the commissioner to adopt the rules, which was not included in the introduced.