

## **BILL ANALYSIS**

C.S.H.B. 3509  
By: Faircloth  
Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that the maximum liability limits for coverage under a windstorm and hail insurance policy issued by the Texas Windstorm Insurance Association have gone unchanged for a number of years. The parties suggest that there is a need to revise the procedures for approval of the limits. C.S.H.B. 3509 seeks to address this need by establishing that the maximum liability limits are considered approved by the commissioner of insurance unless the commissioner disapproves or modifies the limits by a specified deadline.

### **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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3509 amends the Insurance Code to remove the requirement that the maximum liability limits under a windstorm and hail insurance policy issued by the Texas Windstorm Insurance Association be approved by the commissioner of insurance and to instead establish that such maximum liability limits are considered approved by the commissioner unless the commissioner disapproves or modifies the liability limits by order issued not later than the 30th day after the date of receipt of a filing of a proposed adjustment to the maximum liability limits. The bill changes from not later than the 60th day after the date of receipt of such a filing to not later than the 30th day after the date the commissioner disapproves or modifies such a filing the deadline by which the commissioner is required to approve, disapprove, or modify the proposed adjustment to the maximum liability limits. The bill applies only to a proposed maximum liability limit for an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2018.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3509 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

## INTRODUCED

SECTION 1. Section 2210.501(a), Insurance Code, is amended.

SECTION 2. Section 2210.504(a), Insurance Code, is amended.

SECTION 3. The changes in law made by this Act apply only to a proposed maximum liability limit **filed** on **and** after January 1, 2018. A proposed maximum liability limit **filed** before January 1, 2018, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2017.

## HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Same as introduced version.

SECTION 3. The changes in law made by this Act apply only to a proposed maximum liability limit **for an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2018. A proposed maximum liability limit for an insurance policy delivered, issued for delivery, or renewed before January 1, 2018, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.**

SECTION 4. **This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.**