

BILL ANALYSIS

C.S.H.B. 2686
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Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerns have been raised about the integrity of the process by which the Texas Windstorm Insurance Association (TWIA) accepts and denies claims by a policyholder in an attempt to prevent suits challenging TWIA determinations with regard to the disposition of claims. C.S.H.B. 2686 seeks to address these concerns by authorizing a claimant whose claim is wholly or partly denied by TWIA to maintain an action against TWIA concerning the denial of coverage.

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. 2686 amends the Insurance Code to authorize a claimant whose claim is wholly or partly denied by the Texas Windstorm Insurance Association (TWIA) to maintain an action against TWIA concerning the denial regardless of whether TWIA later accepts the previously denied portion of the claim.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2686 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include:

- a provision establishing that coverage for a claim not accepted by TWIA is considered denied;
- a requirement for TWIA to include in a written notice accepting coverage for a claim an itemized list of the portions of the claim for which coverage is accepted; and
- a provision establishing that coverage for any portion not included on the list is considered denied.

The substitute includes an authorization for a claimant whose claim is wholly or partly denied by TWIA to maintain an action against TWIA concerning the denial, regardless of whether TWIA later accepts the previously denied portion of the claim.