

SUBJECT: Notice provided to residential tenants by landlords about renter's insurance

COMMITTEE: Business and Industry — committee substitute recommended

VOTE: 7 ayes — Deshotel, Elkins, Christian, England, Giddings, Orr, Quintanilla
0 nays
1 present not voting — S. Miller
3 absent — Gattis, Keffer, S. Turner

WITNESSES: For — Alex San Martin; (*Registered, but did not testify:* Pamela J. Bolton, Texas Watch; Lynn Walshak, Texas Homeowners for HOA Reform, Inc.); (*On committee substitute:*) George Allen, Texas Apartment Association; (*Registered, but did not testify:* Lee Loftis, Independent Insurance Agents of Texas)

Against — None

BACKGROUND: Tenants may purchase insurance to protect their personal property against events such as theft, natural disaster, fire, flood, or to cover liabilities for accidents that occur on the property. While the Texas Department of Insurance and the Texas Apartment Association have printed materials available to the public about renter's insurance, some tenants are not educated about renter's insurance.

DIGEST: CSHB 1806 would require a landlord or the landlord's agent and the tenant to sign a document, either as a part of the tenant's lease or as a separate document, that would inform the tenant that the property owner's insurance does not cover the tenant's personal property and of the existence of renter's insurance. The document would explain how to obtain renter's insurance or contain contact information for a resource to obtain information.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.