

VOTE NO ON HOUSE BILL 3787

Bill Severely, Arbitrarily Restricts Home & Business Insurance Claims Deadlines



HB 3787 severely and arbitrarily shortens the amount of time policyholders have to make a claim or file suit against their insurance carrier for the wrongful denial or underpayment of their claim. The legislation:

- **Severely shortens the time homeowners and businesses have to file a property insurance claim and effectively prohibits policyholders with latent damage from receiving full payments for needed repairs.**
- **Allows government to pick winners and losers by putting captive home and commercial policyholders on worse footing than any other party to a contract in the state.**
- **Creates a giveaway to for-profit insurance carriers by arbitrarily restricting the ability of homeowners and businesses with valid disputes to require full payment.**

Under current Texas law, parties to a contract have as many as four years to file suit. TEX. CIV. PRAC. & REM. CODE § 16.051. But under HB 3787, claims would have to be filed within *one* year, regardless of when the damage was discovered or could have been discovered. Structural and latent property damage can often take time to manifest, and landlords do not discover damage until tenants leave the property. Additionally, policyholders would have as few as *two* years to file suit for their carrier's breach of contract. Those who miss this hard one-year claims-filing deadline will effectively be barred from filing suit against an insurance company.

Policyholders are vulnerable and deserve more protection, not less

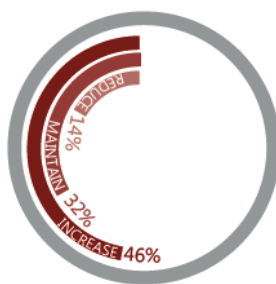
The public policy behind this bill is backwards. It acts as a government-provided windfall for the for-profit property insurance industry that has pulled in over \$11 billion in underwriting profits over the last five years, according to TDI figures. HB 3787 ignores the fact that policyholders have no bargaining power whatsoever. Insurance policies are one-sided, written by the carriers, and are "offered" on a take-it-or-leave-it basis. Policyholders are forced to buy these insurance policies by our laws and lending practices, making them the most vulnerable parties in the state. It makes no sense for the government to pick winners and losers, putting captive policyholders on worse footing than any other party to a contract in our state.

Texans don't want this

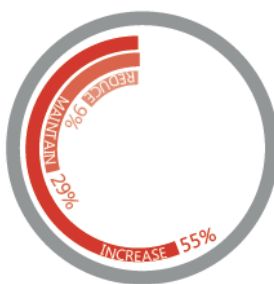
By intensely wide margins across the political spectrum, Texas voters believe that policyholders who have claims unfairly denied, delayed, or underpaid should have easier access to the courts with stiff



70%
of **DEMOCRATS**
want to **INCREASE**
OR MAINTAIN
policyholders' legal
rights



78%
of **REPUBLICANS**
want to **INCREASE**
OR MAINTAIN
policyholders' legal
rights



84%
of **TEA PARTIERS**
want to **INCREASE**
OR MAINTAIN
policyholders' legal
rights

penalties for insurers engaged in such conduct, according to a statewide public opinion survey conducted by Hill Research Consultants, a nationally known Republican opinion-research firm (603 voters polled, margin of error +4.0%).

Protect home and business policyholders. Vote NO on HB 3787.