

Insurance Claims for Hurricane Harvey- Last Chance to Limit Application of HB 1774

Insureds that have suffered property damage or business interruption losses because of Hurricane Harvey should strongly consider making their insurance claims today to limit the application of a new law that impacts insureds' recovery rights against their carriers. By making a written claim today, insureds may preserve their right to seek an 18% penalty against a carrier that fails to promptly pay a claim.

Insureds should provide a written notice to their property carriers today of their insurance claim with the details available at this point, including an identification of the affected properties and a description of any damages currently known.

House Bill 1774 ("HB 1774"), which was recently signed into law by Governor Abbott and becomes effective on September 1, most notably changes the law by: (i) limiting recovery for attorney's fees spent to pursue insurance companies that deny weather-related claims and (ii) reducing the statutory penalty interest rate insurers must pay for failure to promptly pay these claims. HB 1774 includes a number of other changes that do not favor insureds, such as (i) imposing a new requirement that insureds provide written notice to their insurer at least 61 days prior to filing suit; (ii) allowing insurers to request an inspection of the damaged property within 30 days of receiving the pre-suit notice with the actual inspection occurring within 60 days of the insured's pre-suit notice; and (iii) providing for abatement of suits against insurers if these notice and inspection requirements are not met.

The part of the law reducing recoverable interest will only apply to insurance claims made on or after September 1, but other parts of the new law (such as the notice requirement and limitation on attorney's fees) will apply to all actions brought on or after September 1, even if the insurance claim itself was made before September 1.

About Wick Phillips' Insurance Coverage Practice

The attorneys in Wick Phillips' Insurance Coverage Practice have decades of experience representing corporate policyholder clients in major insurance coverage matters. Whether the loss is a devastating natural disaster, a major catastrophe, or bet - the - company litigation, our insurance specialists advise on every step of the claims process and dispute resolution with insurance carriers. To learn more about the practice, click [here](#).

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