

Hurricane Harvey, Insurance Claims and HB 1774— Waiting May Cost You

Hurricane Harvey is causing unprecedented destruction in Texas. To best protect themselves, insureds should be aware of a new Texas law that limits recovery for weather-related insurance claims made and actions brought on or after September 1, 2017. If possible, insureds should consider making their insurance claims for storm-related property damage and business interruption losses immediately (before September 1, 2017) to limit the application of this new law.

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 1st, 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 1st, even if the insurance claim itself was made before September 1st.

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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