

INSURANCE CODE

TITLE 5. PROTECTION OF CONSUMER INTERESTS

SUBTITLE F. INSURANCE FRAUD AND IDENTITY THEFT

CHAPTER 707. PAYMENT OF INSURANCE DEDUCTIBLE

Sec. 707.001. DEFINITIONS. In this chapter:

(1) "Person" means an individual, corporation, association, partnership, limited liability company, or other legal entity.

(2) "Property insurance policy" means an insurance policy issued by an insurer, including a county mutual insurance company, farm mutual insurance company, Lloyd's plan, or reciprocal or interinsurance exchange, that provides first-party coverage for loss of or damage to real property.

Added by Acts 2019, 86th Leg., R.S., Ch. 1099 (H.B. [2102](#)), Sec. 1, eff. September 1, 2019.

Sec. 707.002. PAYMENT OF DEDUCTIBLE REQUIRED. A person insured under a property insurance policy shall pay any deductible applicable to a first-party claim made under the policy.

Added by Acts 2019, 86th Leg., R.S., Ch. 1099 (H.B. [2102](#)), Sec. 1, eff. September 1, 2019.

Sec. 707.003. CONSUMER EDUCATION. The department, in coordination with other state agencies and stakeholders as necessary, shall develop and implement an education program related to the payment of property insurance policy deductibles. The program must:

(1) provide reasonable methods to educate insurance consumers and providers of goods or services that are regularly paid for from proceeds of property insurance claims; and

(2) include information regarding:

(A) the requirements of this chapter and Section [27.02](#), Business & Commerce Code; and

(B) the conduct prohibited by Section [27.02](#), Business & Commerce Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 1099 (H.B. [2102](#)), Sec. 1,

eff. September 1, 2019.

Sec. 707.004. REASONABLE PROOF OF PAYMENT. An insurer that issues a property insurance policy with replacement cost coverage may refuse to pay a claim for withheld recoverable depreciation or a replacement cost holdback under the policy until the insurer receives reasonable proof of payment by the policyholder of any deductible applicable to the claim. Reasonable proof of payment includes a canceled check, money order receipt, credit card statement, or copy of an executed installment plan contract or other financing arrangement that requires full payment of the deductible over time.

Added by Acts 2019, 86th Leg., R.S., Ch. 1099 (H.B. [2102](#)), Sec. 1, eff. September 1, 2019.

Sec. 707.005. RULEMAKING. The commissioner may adopt rules as necessary to implement this chapter. Section [2001.0045](#), Government Code, does not apply to rules adopted under this section.

Added by Acts 2019, 86th Leg., R.S., Ch. 1099 (H.B. [2102](#)), Sec. 1, eff. September 1, 2019.