

## TEXAS LEGISLATURE PASSES HB 1774 (UPDATE)

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House Bill 1774 was signed into law by Governor Greg Abbott on May 26, 2017 and becomes effective on September 1, 2017. The new law has three sections. The first section pertains to pre-suit notice requirements and settlement negotiations. The second section pertains to the amount of interest owed on weather-related property claims that are not promptly paid. The third section creates a new subchapter of the Texas Insurance Code, § 542A, which applies to weather-related property claims.

### ***FOR HURRICANE HARVEY:***

**This law does not apply to flood insurance policies administered by FEMA under the National Flood Insurance Program. The Fifth Circuit has held that federal law preempts state claims arising from the handling of flood insurance claims, including claims brought under the Texas Insurance Code. *Wright v.***

***Allstate Ins. Co.*, 415 F.3d 384, 390 (5<sup>th</sup> Cir. 2005).**

**Highlights of the new law can be found in our client alert.**

**[Click here for client alert.](#)**