



The Insurance Minute



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So what WAS that Sept 1st law that everyone was talking about?

Featuring

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In the midst of one of the worst national disasters our area has ever experienced a new law went into effect. The media portrayed it as a deadline but it wasn't...here's the real story.

I recently had a chance to talk to an Insurance Agent who helped put this law together with the help of a few legal oversight groups, and he explained it to me:

After Ike and a few other smaller storms, lawyers would go door to door asking those who may have experienced damage to sign a form that allowed them to sue their insurance company before they even filed a claim. The consequence? Carriers decided to leave the area, leaving Houston and areas to our south with little or no insurance options, and the options we did have had steadily increasing premiums.

The legislation that he championed has taken him 8 years to get to get through the state legislature, but the main thing it does is prevent lawyers from suing insurance companies BEFORE they can even review, adjust, pay or deny a claim!

When this legislation was passed, an arbitrary date was set to give lawyers and consumers plenty of notice of the change. It just untimely happened to land in the middle of Harvey. Misrepresentation by the media set people in a bit of a panic.

The law does other things. It extends timelines for filing lawsuits, and it limits fees that lawyers can charge for representing consumers. The idea behind this legislation was to try and keep lawsuit abuse to a minimum and keep our consumers' insurance rates from rising.

Ultimately, there are no deadlines that have been set for filing claims for Hurricane Harvey, and the National Flood Insurance Program as well as the Texas Windstorm Insurance Association will adjust and review all claims filed by insureds at any time due to damage sustained during the storm.

As always...talk to your insurance agent if you have questions.

~Devon Neely



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