

Texas Adopts New Surplus Lines Laws



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Governor Greg Abbott has signed into law two bills recently passed by the Texas Legislature. House Bills 1306 and 1940 provide new opportunities for surplus lines agents and insurers in Texas.

HB 1306

Reacting to the absence of flood insurance for many victims of Hurricane Harvey, the Legislature provided an exemption for the required diligent effort in the placement of flood insurance in surplus lines insurance in Texas. The exemption only applies to eligible surplus lines insurers with an A.M. Best Rating of A- or higher.

HB 1306 is Effective September 1, 2019.

HB 1940

Similarly, the Legislature addressed the availability of windstorm and hail coverage in the coastal area by declaring the availability of coverage by the Texas Windstorm Insurance Association does not preclude the placement of coverage with an eligible surplus lines insurer.

HB 1940 is effective September 1, 2019.

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