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The Honorable Kelly Hancock, Chair
Texas Senate Business and Commerce Committee
VIA EMAIL: kelly.hancock@senate.texas.gov

March 6, 2017

Re: S.B. 10 – OPPOSE

Dear Senator Hancock:

We write to respectfully register our *strong opposition* to S.B. 10 (H.B. 1774). We believe that S.B. 10 is founded on faulty data regarding the cause and extent of property insurance litigation and will ultimately be harmful to Texas homeowners and businesses.

By restricting residents’ ability to turn to the Texas’ civil courts to hold insurers accountable for paying claims fairly and promptly, you will take away the most useful leverage an individual or small business has against a powerful corporation that is holding their financial fate in its hands. In the guise of hurting greedy lawyers, you will really be hurting your own citizens *and* the property tax base in every Texas region that gets damaged by extreme weather. As you know, Texas has many such regions.

The State of Texas has it all - floods, wildfires, hurricanes and tornados and the expensive damage they do to homes and businesses. Insurance funds are the number one source of funds that allow individuals and local economies to repair and rebound. The ability for Texans to hold an insurer accountable for failing to adequately investigate and settle their claims is fundamental. S.B. 10 would sharply limit that ability by removing remedies such as attorney’s fees and pre-judgment interest. These remedies make it economically viable for an individual or business to hire competent counsel and still be made whole.

S.B. 10 is billed as solution to sharp increases in property insurance litigation, but Texas Department of Insurance (TDI) statistics show property litigation in Texas has only slightly increased in the last few years, and if you exclude the counties hardest hit by hailstorms, it is actually down statewide.

United Policyholders (“UP”) is a non-profit organization that informs, helps and speaks for insurance consumers nationwide. UP has been serving Texas residents since hailstorms damaged thousands of structures in the 1990’s and property owners sought our help resolving insurance disputes. With assistance from TDI and support from the Austin Community Foundation, UP provided over a year of long term wildfire recovery services in the Bastrop area, and we routinely file friend of the court briefs in coverage and claim disputes in Texas appellate courts. Thank you for your time and consideration of our views on this very important matter.

Sincerely,

Amy Bach, Esq., Executive Director

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