HB 1774 – Timely Message – August 31, 2017 Deadline

A new piece of legislation, HB 1774, takes effect on September 1, 2017. There are ramifications which could impact your districts’ and personal insurance claim payments. Many of you may have already taken care of this, but we wanted to send it to everyone just in case.

HB 1774 reduces the penalties a policyholder can recover for violations of Chapter 542 of the Insurance Code (slow pay, low pay, no pay). Notice of Claims filed before September will be covered by current law for the interest rate as damages portion of Chap 542 (18%). On and after September 1, this is reduced to 5% over the finance code rate which is currently 5% or 10% total. This will not apply to flood claims if they are part of the National Flood Insurance Program, but will apply to wind or non-NFIP flood claims. This affects individual claims as well as school district claims. The text of HB 1774 is attached.

A sample Claim Form is attached. The form should be sent via email and certified mail if possible. The notice should state that the policy holder has experienced damage on a stated date and time. The more information that can be provided on the claim form, the better the holder’s position will be once the claim is processed.

This information is for informational purposes only, and all actions taken by the school district should be based on the advice of legal counsel and insurance carrier requirements.

Sample Board Resolution Related to Authorizing Payment to Employees

We asked Thompson & Horton law firm to provide us with a sample Board resolution that we could share with all of you as requested. Many of you were going to ask your Board to consider authorizing payment to employees when schools were closed because of the important public purpose served. Sample resolution is attached and titled Storm Resolution.

TEA Website Support and Missed School Waiver TAA

TEA has created a website of resources and information for school districts. http://tea.texas.gov/About_TEA/Other_Services/Weather_and_Disaster/Hurricane_Harvey_Resources/

Additionally, today the Commissioner sent out a TAA related to missed school waivers. I have attached the link. Hurricane Related Waivers