

## **BILL ANALYSIS**

C.S.H.B. 986  
By: Ritter  
Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The 77<sup>th</sup> Legislature passed SB 365, which adopted the International Residential Code (IRC) as the residential building code in all Texas municipalities. Further, SB 365 called for the Commissioner of Insurance (Commissioner) to supplement the building specifications in the plan of operation for the Texas Windstorm Insurance Association (TWIA) with the IRC. During the interim of the 77<sup>th</sup> session, the Commissioner adopted the IRC and three Texas revisions as the building specifications in the defined coastal areas. C.S.H.B. 986 codifies the adoption of the IRC and sets forth procedures relating to the appointment of windstorm inspectors.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Commissioner of Insurance in SECTION 2 (Article 21.49, Insurance Code) and SECTION 4 (Article 21.49, Insurance Code) of this bill.

### **ANALYSIS**

C.S.H.B. 986 amends the Insurance Code to require the Commissioner of Insurance to adopt the 2003 International Residential Code for one- and two- family dwellings published by the International Code Council for geographic areas specified by the Commissioner. The Commissioner is required to adopt the 2003 International Residential Code after January 1, 2004. The bill authorizes the Commissioner to adopt a subsequent edition of that code and any supplements and amendments, for those specified geographic areas.

The bill sets forth requirements relating to the appointment by the Commissioner of engineers to perform windstorm inspections for the Texas Windstorm Insurance Association and requires the Commissioner to adopt rules relating to the appointment of engineers.

The bill deletes the upper limit of \$200 on fees for filing applications and for determining qualifications of a person for appointment as a qualified windstorm inspector. The bill authorizes the performance of windstorm inspections by qualified inspectors only.

The bill authorizes the Commissioner take action against an appointed person who is a licensed engineer for an inspection report with false or fraudulent entries. The bill requires the Commissioner to provide notice to the Texas Board of Professional Engineers regarding each order issued against an appointed engineer who is licensed. The bill prohibits the Commissioner from levying any monetary fine against an appointed windstorm inspector who is a licensed engineer.

The bill repeals Sections 6A(c) and (e), Article 21.49, Insurance.

### **EFFECTIVE DATE**

September 1, 2003.

## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 986 modifies the original by providing for the appointment by the Commissioner of windstorm inspectors, rather than providing for the registration of inspectors. The substitute authorizes the Commissioner to take action against an appointed, licensed engineer for inspection reports with false or fraudulent entries. The substitute adds provisions relating to notices regarding orders against appointed, licensed engineers. The substitute restores the ability of the Department of Insurance to charge a fee for filing of applications and determining the qualifications of persons for appointment as qualified windstorm inspectors and removes the \$200 upper limit on such a fee.