

BILL ANALYSIS

S.B. 581
By: Jackson
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Use of insulating concrete forms in residential building construction provides better resistance to windstorms, termites, mold, and fire than do some other methods of construction. S.B. 581 authorizes an optional discount in homeowners insurance premiums for the use of an insulating concrete form system. The amount of the premium discount will be determined by the commissioner of insurance.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Article 5.33E, Insurance Code) of this bill.

ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 5, Insurance Code, by adding Article 5.33E, as follows:

Art. 5.33E. OPTIONAL PREMIUM DISCOUNT FOR USE OF INSULATING CONCRETE FORM SYSTEM

Sec. 1. DEFINITIONS. Defines "applicant for insurance coverage," "insurer," and "insulating concrete form system."

Sec. 2. OPTIONAL PREMIUM DISCOUNT. (a) Authorizes an insurer to grant a discount, in accordance with the rules adopted by the commissioner of insurance (commissioner) under this article, in an applicant's homeowners' insurance premiums for covered property constructed with an insulating concrete form system, upon receipt of written verification.

(b) Provides that the verification must comply with the requirements under Section 3 of this article.

Sec. 3. RULES; INSPECTION. (a) Requires the commissioner to adopt rules to prescribe the requirements for determining that a structure has been built using an insulating concrete form system, and authorizes the commissioner to adopt rules as necessary to implement this article.

(b) Provides that the rules may require, if the commissioner considers it necessary, an inspection to be paid for by the applicant.

Sec. 4. AMOUNT OF PREMIUM DISCOUNT. (a) Requires the commissioner to establish by rule the amount of the premium discount applicable under this article.

(b) Authorizes the commissioner to approve a discount greater or less than the discount established under Subsection (a) in certain circumstances.

SECTION 2. Makes application of this Act prospective to January 1, 2004.

SECTION 3. Effective date: September 1, 2003.

EFFECTIVE DATE

September 1, 2003.