

By: Eiland

H.B. No. 231

A BILL TO BE ENTITLED

AN ACT

relating to structures that constitute insurable property under the Texas Windstorm Insurance Association.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 3(f), Article 21.49, Insurance Code, is amended to read as follows:

(f) "Insurable Property" means immovable property at fixed locations in a catastrophe area or corporeal movable property located therein (as may be designated in the plan of operation) which property is determined by the Association, pursuant to the criteria specified in the plan of operation to be in an insurable condition against windstorm, hail and/or fire and explosion as appropriate, as determined by normal underwriting standards; provided, however, that insofar as windstorm and hail insurance is concerned, any structure located within a catastrophe area, commenced on or after the 30th day following the publication of the plan of operation, not built or continuing in compliance with building specifications set forth in the plan of operation shall not be an insurable risk under this Act except as otherwise provided under this Act. A structure, or an addition thereto, which is constructed in conformity with plans and specifications that comply with the specifications set forth in the plan of operation at the time construction commences shall not be declared ineligible for windstorm and hail insurance as a result of subsequent changes in

1 the building specifications set forth in the plan of operation.
2 When repair of damage to a structure involves replacement of items
3 covered in the building specifications as set forth in the plan of
4 operation, such repairs must be completed in a manner to comply with
5 such specifications for the structure to continue within the
6 definition of Insurable Property for windstorm and hail insurance.
7 Nothing in this Act shall preclude special rating of individual
8 risks as may be provided in the plan of operation. ~~[For purposes of
9 this Act, all structures which are located within those areas
10 designated as units under the federal Coastal Barrier Resources Act
11 (Public Law 97-348) and for which construction has commenced on or
12 after July 1, 1991 shall not be considered insurable property.]~~

13 SECTION 2. Article 21.49, Insurance Code, as amended by
14 this Act, applies only to an insurance policy delivered or issued
15 for delivery by the Texas Windstorm Insurance Association on or
16 after January 1, 2004. A policy delivered or issued for delivery
17 before January 1, 2004, is governed by the law as it existed
18 immediately before the effective date of this Act, and that law is
19 continued in effect for that purpose.

20 SECTION 3. This Act takes effect September 1, 2003.