

By: Eiland

H.B. No. 921

A BILL TO BE ENTITLED

AN ACT

relating to limitations on insurance coverage through the Texas  
Windstorm Insurance Association for certain loss or damage.

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

SECTION 1. Article 21.49, Insurance Code, is amended by  
adding Section 8C to read as follows:

Sec. 8C. COVERAGE REGARDING LOSSES OR DAMAGES RESULTING  
FROM CERTAIN MICROBIAL CONTAMINANTS. (a) In this section:

(1) "Loss" includes:

(A) loss of income, including a loss directly  
resulting from a business interruption;

(B) diminution of property value; and

(C) loss of use of property, including any loss  
resulting from additional living expenses incurred.

(2) "Microbial contaminants" include:

(A) fungi, including mold, mildew, or rust (order  
Uredinales);

(B) bacteria or other microbes; or

(C) wet or dry rot.

(3) "Treatment" includes remediation, testing,  
containment, removal, including debris removal, and disposal.

(b) Notwithstanding Section 8B of this article, a policy of  
windstorm and hail insurance issued by the association does not  
include coverage for, and the association is not authorized to

1 issue policies that cover:

2 (1) any direct or indirect loss or damage caused by,  
3 aggravated by, or resulting from harm to property caused by a  
4 microbial contaminant, regardless of the cause of the growth,  
5 proliferation, secretion, or dispersal of the microbial  
6 contaminant; or

7 (2) costs for treatment to property harmed by a  
8 microbial contaminant.

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

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