

1-1 By: Janek, et al. S.B. No. 463
1-2 (In the Senate - Filed February 12, 2003; February 17, 2003,
1-3 read first time and referred to Committee on State Affairs;
1-4 April 14, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 14, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 463 By: Staples

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to structures that constitute insurable property under the
1-11 Texas Windstorm Insurance Association.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (f), Section 3, Article 21.49,
1-14 Insurance Code, is amended to read as follows:

1-15 (f) "Insurable Property" means immovable property at fixed
1-16 locations in a catastrophe area or corporeal movable property
1-17 located therein (as may be designated in the plan of operation)
1-18 which property is determined by the Association, pursuant to the
1-19 criteria specified in the plan of operation to be in an insurable
1-20 condition against windstorm, hail and/or fire and explosion as
1-21 appropriate, as determined by normal underwriting standards;
1-22 provided, however, that insofar as windstorm and hail insurance is
1-23 concerned, any structure located within a catastrophe area,
1-24 commenced on or after the 30th day following the publication of the
1-25 plan of operation, not built or continuing in compliance with
1-26 building specifications set forth in the plan of operation shall
1-27 not be an insurable risk under this Act except as otherwise provided
1-28 under this Act. A structure, or an addition thereto, which is
1-29 constructed in conformity with plans and specifications that comply
1-30 with the specifications set forth in the plan of operation at the
1-31 time construction commences shall not be declared ineligible for
1-32 windstorm and hail insurance as a result of subsequent changes in
1-33 the building specifications set forth in the plan of operation.
1-34 When repair of damage to a structure involves replacement of items
1-35 covered in the building specifications as set forth in the plan of
1-36 operation, such repairs must be completed in a manner to comply with
1-37 such specifications for the structure to continue within the
1-38 definition of Insurable Property for windstorm and hail insurance.
1-39 Nothing in this Act shall preclude special rating of individual
1-40 risks as may be provided in the plan of operation. For purposes of
1-41 this Act, all structures, other than a condominium, apartment,
1-42 duplex, or other multifamily residence, or a hotel or resort
1-43 facility, which are located within those areas designated as units
1-44 under the federal Coastal Barrier Resources Act (Public Law 97-348)
1-45 and for which a building permit or plat has been filed with the
1-46 municipality, county, or the United States Army Corps of Engineers
1-47 before the effective date of Senate Bill 463, Acts of the 78th
1-48 Legislature, Regular Session, 2003, are [construction has
1-49 commenced on or after July 1, 1991 shall not be considered]
1-50 insurable property.

1-51 SECTION 2. Article 21.49, Insurance Code, as amended by
1-52 this Act, applies only to an insurance policy delivered or issued
1-53 for delivery by the Texas Windstorm Insurance Association on or
1-54 after the effective date of this Act. A policy delivered or issued
1-55 for delivery before the effective date of this Act is governed by
1-56 the law as it existed immediately before the effective date of this
1-57 Act, and that law is continued in effect for that purpose.

1-58 SECTION 3. This Act takes effect immediately if it receives
1-59 a vote of two-thirds of all the members elected to each house, as
1-60 provided by Section 39, Article III, Texas Constitution. If this
1-61 Act does not receive the vote necessary for immediate effect, this
1-62 Act takes effect September 1, 2003.

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