

AN ACT

relating to an optional discount in homeowners' insurance premiums for the use of an insulating concrete form system.

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

SECTION 1. Subchapter C, Chapter 5, Insurance Code, is amended by adding Article 5.33E to read as follows:

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

Sec. 1. DEFINITIONS. In this article:

(1) "Applicant for insurance coverage" includes an applicant for new coverage and a policyholder renewing coverage.

(2) "Insurer" means an insurer authorized to write property and casualty insurance in this state. The term includes:

(A) a county mutual insurance company;

(B) a farm mutual insurance company;

(C) a Lloyd's plan; and

(D) a reciprocal or interinsurance exchange.

(3) "Insulating concrete form system" means a building construction system primarily used to frame exterior walls in which polystyrene foam forms are placed in walls of a structure under construction and filled with concrete and steel reinforcing material to become a permanent part of the structure.

Sec. 2. OPTIONAL PREMIUM DISCOUNT. (a) On receipt of written verification from an applicant for insurance coverage, an

1 insurer may grant a discount, in accordance with the rules adopted
2 by the commissioner under this article, in the applicant's
3 homeowners' insurance premiums for covered property that is
4 constructed using an insulating concrete form system.

5 (b) Verification under this section must comply with the
6 requirements prescribed under Section 3 of this article.

7 Sec. 3. RULES; INSPECTION. (a) The commissioner:

8 (1) shall adopt rules that prescribe the requirements
9 for determining that a structure has been built using an insulating
10 concrete form system; and

11 (2) may adopt other rules as necessary to implement
12 this article.

13 (b) If determined necessary by the commissioner, the rules
14 adopted under this section may require an inspection of the
15 property to be insured. The applicant for insurance coverage shall
16 pay the costs of any inspection required under this subsection.

17 Sec. 4. AMOUNT OF PREMIUM DISCOUNT. (a) The commissioner
18 shall establish by rule the amount of the premium discount
19 applicable under this article based on sound actuarial principles.

20 (b) The commissioner may approve a discount greater or less
21 than the discount established under Subsection (a) of this section
22 if:

23 (1) the insurer files the proposed discount with the
24 department; and

25 (2) the commissioner determines that the proposed
26 discount is actuarially justified.

27 SECTION 2. Article 5.33E, Insurance Code, as added by this

1 Act, applies only to an insurance policy delivered, issued for
2 delivery, or renewed on or after January 1, 2004. A policy
3 delivered, issued for delivery, or renewed before January 1, 2004,
4 is governed by the law as it existed immediately before the
5 effective date of this Act, and that law is continued in effect for
6 that purpose.

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 581 passed the Senate on
May 8, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 581 passed the House on
May 28, 2003, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor