

By: Jackson

S.B. No. 581

A BILL TO BE ENTITLED

AN ACT

relating to a required 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. 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. PREMIUM DISCOUNT REQUIRED. (a) On receipt of written verification from an applicant for insurance coverage, an

1 insurer shall grant a discount in the applicant's homeowners'
2 insurance premiums for covered property that is constructed using
3 an insulating concrete form system.

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

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

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

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

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

16 Sec. 4. AMOUNT OF PREMIUM DISCOUNT. The commissioner shall
17 establish by rule the amount of the premium discount applicable
18 under this article.

19 SECTION 2. Article 5.33E, Insurance Code, as added by this
20 Act, applies only to an insurance policy delivered, issued for
21 delivery, or renewed on or after January 1, 2004. A policy
22 delivered, issued for delivery, or renewed before January 1, 2004,
23 is governed by the law as it existed immediately before the
24 effective date of this Act, and that law is continued in effect for
25 that purpose.

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