

By: Ellis

S.B. No. 519

A BILL TO BE ENTITLED

AN ACT

1
2 relating to coverage under residential property insurance policies
3 for certain losses incurred because of compliance with an emergency
4 evacuation order.

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

6 SECTION 1. Subchapter A, Chapter 2002, Insurance Code, as
7 added by Chapter 727, Acts of the 79th Legislature, Regular
8 Session, 2005, and effective April 1, 2007, is amended by adding
9 Section 2002.007 to read as follows:

10 Sec. 2002.007. COVERAGE FOR LOSSES INCURRED AS A RESULT OF
11 COMPLIANCE WITH EMERGENCY EVACUATION ORDER. (a) In this section:

12 (1) "Disaster" means the occurrence or imminent threat
13 of widespread or severe damage, injury, or loss of life or property
14 that results from a natural or man-made cause, including fire,
15 flood, earthquake, wind, storm, wave action, oil spill or other
16 water contamination, volcanic activity, epidemic, air
17 contamination, blight, drought, infestation, explosion, riot,
18 hostile military or paramilitary action, or other public calamity
19 requiring emergency action, or an energy emergency.

20 (2) "Emergency evacuation order" means an official
21 statement issued by the governing body of this state or a political
22 subdivision of this state to recommend the evacuation of all or part
23 of the population of an area stricken or threatened with a disaster.
24 The term includes a declaration of local disaster under Section

1 418.108, Government Code.

2 (3) "Insurer" means an insurer authorized to write
3 residential property insurance, including:

4 (A) a county mutual insurance company;

5 (B) a farm mutual insurance company;

6 (C) a Lloyd's plan; and

7 (D) a reciprocal or interinsurance exchange.

8 (4) "Political subdivision" means a county,
9 municipality, special district, or authority of this state.

10 (5) "Residential property insurance" means property
11 or property and casualty insurance covering a dwelling, including:

12 (A) homeowners insurance;

13 (B) residential fire and allied lines insurance;

14 (C) farm and ranch insurance; and

15 (D) farm and ranch owners insurance.

16 (b) A residential property insurance policy delivered or
17 issued for delivery by an insurer must provide coverage that
18 complies with this section for loss incurred as a result of
19 compliance with an emergency evacuation order applicable to the
20 covered property.

21 (c) The coverage required by this section must provide a
22 payment for each day or part of a day that the evacuation order is in
23 effect. The commissioner by rule shall determine the terms and
24 conditions and applicable limits of the required coverage and the
25 amount of the required payment.

26 SECTION 2. This Act applies only to an insurance policy that
27 is delivered, issued for delivery, or renewed on or after the 90th

1 day after the effective date of this Act. A policy that is
2 delivered, issued for delivery, or renewed before the 90th day
3 after the effective date of this Act is governed by the law as it
4 existed immediately before the effective date of this Act, and that
5 law is continued in effect for that purpose.

6 SECTION 3. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect on the 91st day after the last day of the
11 legislative session.