

Amend CSSB 1007 (Senate committee printing) in ARTICLE 4 of the bill by inserting the following appropriately numbered SECTIONS and renumbering existing SECTIONS accordingly:

SECTION 4.____. Chapter 2006, Insurance Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. PREMIUM DISCOUNT FOR CERTAIN DWELLINGS

Sec. 2006.151. DEFINITIONS. In this subchapter:

(1) "Applicant" includes:

(A) an applicant for new insurance coverage; and

(B) a policyholder renewing insurance coverage.

(2) "Residential property insurance" has the meaning assigned by Section 2251.002.

(3) "Insurer" means:

(A) an insurer subject to Chapter 2251;

(B) the Texas Windstorm Insurance Association;
and

(C) the FAIR Plan Association.

Sec. 2006.152. OPTIONAL PREMIUM DISCOUNT. (a) The commissioner by rule shall authorize an insurer to grant to an applicant for residential property insurance a discount on the applicant's premium for an insured dwelling that is certified by the Institute for Business and Home Safety (IBHS) as and IBHS Fortified Home for the geographic location in which the dwelling is located or by a similar organization as meeting similar home fortification standards for the geographic location in which the dwelling is located if the commissioner determines that the standards being certified reflect a reduction in the risk being insured under the policy.

(b) The commissioner shall prescribe requirements for a policy applicant to submit verification of the certification of the dwelling to the insurer.

Sec. 2006.153. DWELLING INSPECTION. (a) The rules adopted under this subchapter may authorize an insurer to conduct an inspection of a dwelling to be insured to confirm that the dwelling meets the applicable standards for the geographic location in which the dwelling is located.

(b) The insurer shall pay the costs of an inspection under

this section.

Sec. 2006.154. PREMIUM DISCOUNT; EXCEPTION. (a) The commissioner by rule shall establish the premium discount under this subchapter based on sound actuarial principles. The commissioner may vary the discount based on the coverage offered or excluded under the insurance policy, including windstorm and hail coverage.

(b) The commissioner may approve a premium discount greater or less than the discount established under Subsection (a) if:

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

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

Sec. 2006.155. RULES. The commissioner may adopt rules as necessary to implement this subchapter in addition to other rules specifically required to be adopted under this chapter.

SECTION 4.____. Not later than December 1, 2009, the commissioner of insurance shall adopt rules required by Subchapter D, Chapter 2006, Insurance Code, as added by this article.

SECTION 4.____. Subchapter D, Chapter 2006, Insurance Code, as added by this article, applies only to a residential property insurance policy delivered, issued for delivery, or renewed on or after January 1, 2010. A policy delivered, issued for delivery, or renewed before January 1, 2010, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.