

By: Deshotel

H.B. No. 1021

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, is
7 amended by adding Section 2002.007 to read as follows:

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

10 (1) "Disaster" means the occurrence or imminent threat
11 of widespread or severe damage, injury, or loss of life or property
12 that results from a natural or man-made cause, including fire,
13 flood, earthquake, wind, storm, wave action, oil spill or other
14 water contamination, volcanic activity, epidemic, air
15 contamination, blight, drought, infestation, explosion, riot,
16 hostile military or paramilitary action, or other public calamity
17 requiring emergency action, or an energy emergency, as defined by
18 Section 418.004, Government Code.

19 (2) "Emergency evacuation order" means an official
20 statement issued by the governing body of this state or a political
21 subdivision of this state to recommend the evacuation of all or part
22 of the population of an area stricken or threatened with a disaster.
23 The term includes a declaration of local disaster under Section
24 418.108, Government Code.

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

3 (A) a county mutual insurance company;

4 (B) a farm mutual insurance company;

5 (C) a Lloyd's plan; and

6 (D) a reciprocal or interinsurance exchange.

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

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

11 (A) homeowners insurance;

12 (B) residential fire and allied lines insurance;

13 (C) farm and ranch insurance; and

14 (D) farm and ranch owners insurance.

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

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

24 SECTION 2. This Act applies only to an insurance policy that
25 is delivered, issued for delivery, or renewed on or after the 90th
26 day after the effective date of this Act. A policy that is
27 delivered, issued for delivery, or renewed before the 90th day

1 after the effective date of this Act is governed by the law as it
2 existed immediately before the effective date of this Act, and that
3 law is continued in effect for that purpose.

4 SECTION 3. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2009.