

By: Ellis

S.B. No. 147

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 A 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.

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

24 (3) "Insurer" means an insurer authorized to write

1 residential property insurance, including:

2 (A) a county mutual insurance company;

3 (B) a farm mutual insurance company;

4 (C) a Lloyd's plan; and

5 (D) a reciprocal or interinsurance exchange.

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

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

10 (A) homeowners insurance;

11 (B) residential fire and allied lines insurance;

12 (C) farm and ranch insurance; and

13 (D) farm and ranch owners insurance.

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

19 (c) The coverage required 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 on the 91st day after the last day of the  
9 legislative session.