

## **BILL ANALYSIS**

S.B. 1702  
By: Taylor  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that a homeowner is typically required to produce a certificate of building code compliance on the person's structure in order to obtain new residential coverage from the Texas Windstorm Insurance Association. However, if that certificate was not required by the homeowner's previous insurance carrier, such parties assert that securing a certificate after the fact can be cost-prohibitive and overly burdensome. These parties report that even though current law provides a waiver program, the waiver program is fragmentary and could benefit from simplification. S.B. 1702 seeks to simplify the waiver program.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1702 amends the Insurance Code to authorize the Texas Windstorm Insurance Association (TWIA) to insure a residential structure constructed, altered, remodeled, enlarged, repaired, or added to on or after June 19, 2009, that is not in compliance with the applicable building code standards, as set forth in the plan of operation, provided that the structure had been insured on or after that date by an insurer in the private market who canceled or nonrenewed the insurance coverage of the structure before September 1, 2013, and no construction, alteration, remodeling, enlargement, or repair of or addition to the structure occurs after cancellation or nonrenewal of the coverage and before submission of an application for coverage through TWIA. The bill removes a provision restricting the authority to continue such coverage to a residential structure insured by TWIA as of September 1, 2009. The bill removes provisions restricting the applicability of the annual premium surcharge for a noncompliant residential structure insured by TWIA to a noncompliant residential structure that was insured by TWIA as of September 1, 2009, under the approval process regulations in effect on that date and instead subjects to that annual premium surcharge a new or renewal insurance policy insuring a noncompliant residential structure that is eligible for insurance coverage under the bill's provisions. The bill repeals provisions providing for alternative eligibility for TWIA coverage.

S.B. 1702 repeals Section 2210.260, Insurance Code.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.