

By: Taylor

S.B. No. 1702

A BILL TO BE ENTITLED

AN ACT

relating to residential property insured by the Texas Windstorm Insurance Association.

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

SECTION 1. Subsection (f), Section 2210.251, Insurance Code, is amended to read as follows:

(f) Notwithstanding any other provision of this section, insurance coverage for a residential structure ~~[insured by the association as of September 1, 2009,]~~ may be obtained or continued ~~[continue coverage]~~ through the association subject to the inspection requirements imposed under Section 2210.258, if applicable.

SECTION 2. Section 2210.258, Insurance Code, is amended to read as follows:

Sec. 2210.258. ~~[MANDATORY]~~ COMPLIANCE WITH BUILDING CODES; ELIGIBILITY. (a) Except as provided by Subsection (c) and notwithstanding ~~[Notwithstanding]~~ any other provision of this chapter, to be eligible for insurance through the association, all construction, alteration, remodeling, enlargement, and repair of, or addition to, any structure located in the catastrophe area that is begun on or after the effective date of Sections 5 through 49, H.B. No. 4409, Acts of the 81st Legislature, Regular Session, 2009, must be performed in compliance with the applicable building code standards, as set forth in the plan of operation.

1           (b) Except as provided by Subsection (c), the ~~[The]~~  
2 association may not insure a structure described by Subsection (a)  
3 until:

4                 (1) the structure has been inspected for compliance  
5 with the plan of operation in accordance with Section 2210.251(a);  
6 and

7                 (2) a certificate of compliance has been issued for  
8 the structure in accordance with Section 2210.251(g).

9           (c) The association may insure a residential structure  
10 constructed, altered, remodeled, enlarged, repaired, or added to on  
11 or after June 19, 2009, that is not in compliance with the  
12 applicable building code standards, as set forth in the plan of  
13 operation, provided that the structure had been insured on or after  
14 that date by an insurer in the private market who canceled or  
15 nonrenewed the insurance coverage of the structure before September  
16 1, 2013, and no construction, alteration, remodeling, enlargement,  
17 or repair of or addition to the structure occurs after cancellation  
18 or nonrenewal of the coverage and before submission of an  
19 application for coverage through the association.

20           SECTION 3. Subsection (a), Section 2210.259, Insurance  
21 Code, is amended to read as follows:

22           (a) A new or renewal insurance policy insuring a  
23 noncompliant residential structure under Section 2210.251(f)  
24 ~~[insured by the association as of September 1, 2009, under Section~~  
25 ~~2210.251(f) that had been approved for insurability under the~~  
26 ~~approval process regulations in effect on September 1, 2009,]~~ is  
27 subject to an annual premium surcharge in an amount equal to 15

1 percent of the premium for insurance coverage obtained through the  
2 association. The surcharge under this subsection applies to each  
3 policy issued or renewed by the association on or after the  
4 effective date of Sections 5 through 49, H.B. No. 4409, Acts of the  
5 81st Legislature, Regular Session, 2009, and is due on the issuance  
6 or renewal of the policy.

7       SECTION 4. Section 2210.260, Insurance Code, is repealed.

8       SECTION 5. This Act takes effect immediately if it receives  
9 a vote of two-thirds of all the members elected to each house, as  
10 provided by Section 39, Article III, Texas Constitution. If this  
11 Act does not receive the vote necessary for immediate effect, this  
12 Act takes effect September 1, 2013.