

1-1 By: Taylor S.B. No. 1702
1-2 (In the Senate - Filed March 8, 2013; March 18, 2013, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 March 28, 2013, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; March 28, 2013,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

1-8		Yea	Nay	Absent	PNV
1-9	Carona	X			
1-10	Taylor	X			
1-11	Eltife	X			
1-12	Estes	X			
1-13	Hancock	X			
1-14	Lucio	X			
1-15	Van de Putte	X			
1-16	Watson	X			
1-17	Whitmire	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1702 By: Taylor

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to residential property insured by the Texas Windstorm
1-22 Insurance Association.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subsection (f), Section 2210.251, Insurance
1-25 Code, is amended to read as follows:

1-26 (f) Notwithstanding any other provision of this section,
1-27 insurance coverage for a residential structure ~~[insured by the~~
1-28 ~~association as of September 1, 2009,~~ may be obtained or continued
1-29 ~~[continue coverage]~~ through the association subject to the
1-30 inspection requirements imposed under Section 2210.258, if
1-31 applicable.

1-32 SECTION 2. Section 2210.258, Insurance Code, is amended to
1-33 read as follows:

1-34 Sec. 2210.258. ~~[MANDATORY]~~ COMPLIANCE WITH BUILDING CODES;
1-35 ELIGIBILITY. (a) Except as provided by Subsection (c) and
1-36 notwithstanding ~~[Notwithstanding]~~ any other provision of this
1-37 chapter, to be eligible for insurance through the association, all
1-38 construction, alteration, remodeling, enlargement, and repair of,
1-39 or addition to, any structure located in the catastrophe area that
1-40 is begun on or after the effective date of Sections 5 through 49,
1-41 H.B. No. 4409, Acts of the 81st Legislature, Regular Session, 2009,
1-42 must be performed in compliance with the applicable building code
1-43 standards, as set forth in the plan of operation.

1-44 (b) Except as provided by Subsection (c), the ~~[The]~~
1-45 association may not insure a structure described by Subsection (a)
1-46 until:

1-47 (1) the structure has been inspected for compliance
1-48 with the plan of operation in accordance with Section 2210.251(a);
1-49 and

1-50 (2) a certificate of compliance has been issued for
1-51 the structure in accordance with Section 2210.251(g).

1-52 (c) The association may insure a residential structure
1-53 constructed, altered, remodeled, enlarged, repaired, or added to on
1-54 or after June 19, 2009, that is not in compliance with the
1-55 applicable building code standards, as set forth in the plan of
1-56 operation, provided that the structure had been insured on or after
1-57 that date by an insurer in the private market who canceled or
1-58 nonrenewed the insurance coverage of the structure before September
1-59 1, 2013, and no construction, alteration, remodeling, enlargement,
1-60 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 the association.

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

(a) A new or renewal insurance policy insuring a noncompliant residential structure under Section 2210.251(f) ~~[insured by the association as of September 1, 2009, under Section 2210.251(f) that had been approved for insurability under the approval process regulations in effect on September 1, 2009,]~~ is subject to an annual premium surcharge in an amount equal to 15 percent of the premium for insurance coverage obtained through the association. The surcharge under this subsection applies to each policy issued or renewed by the association on or after the effective date of Sections 5 through 49, H.B. No. 4409, Acts of the 81st Legislature, Regular Session, 2009, and is due on the issuance or renewal of the policy.

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

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

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