

By: Faircloth

H.B. No. 3510

A BILL TO BE ENTITLED

1 AN ACT
2 relating to replacement cost coverage in policies issued by the
3 Texas Windstorm Insurance Association.

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

5 SECTION 1. Sections [2210.207](#)(c) and (d), Insurance Code,
6 are amended to read as follows:

7 (c) If, at the time of the initial issuance of or a renewal
8 of the association policy [~~loss~~], the total amount of insurance
9 applicable to a dwelling is equal to 80 percent or more of the full
10 replacement cost of the dwelling or equal to the maximum amount of
11 insurance otherwise available through the association, coverage
12 applicable to the dwelling under the policy is extended to include
13 the full cost of repair or replacement, without a deduction for
14 depreciation.

15 (d) If, at the time of the initial issuance of or a renewal
16 of the association policy [~~loss~~], the total amount of insurance
17 applicable to a dwelling is equal to less than 80 percent of the
18 full replacement cost of the dwelling and less than the maximum
19 amount of insurance available through the association, liability
20 for loss under the policy may not exceed the replacement cost of the
21 part of the dwelling that is damaged or destroyed, less
22 depreciation.

23 SECTION 2. Section [2210.207](#), Insurance Code, as amended by
24 this Act, applies only to an insurance policy delivered, issued for

1 delivery, or renewed on or after January 1, 2018. A policy
2 delivered, issued for delivery, or renewed before January 1, 2018,
3 is governed by the law as it existed immediately before the
4 effective date of this Act, and that law is continued in effect for
5 that purpose.

6 SECTION 3. This Act takes effect September 1, 2017.