

BILL ANALYSIS

H.B. 3564
By: Paul
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

A property owner must obtain a property inspection before receiving windstorm and hail insurance from the Texas Windstorm Insurance Association (TWIA). This certificate of compliance can be rescinded if the Texas Department of Insurance (TDI) finds that the improvement does not comply with the applicable building code under the TWIA plan of operation. This means that a certificate can be issued by TDI and later rescinded due to no fault of the policy holder, which in turn can lead to the loss of insurance coverage. H.B. 3564 seeks to prohibit TDI from rescinding a certificate that has already been issued.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 3564 amends the Insurance Code to prohibit the Texas Department of Insurance from rescinding a certificate of compliance for a completed or ongoing improvement for purposes of coverage under a policy issued by the Texas Windstorm Insurance Association after issuing the certificate. That prohibition applies to certificates that are in effect or issued on or after the bill's effective date.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.