

By: Lucio III

H.B. No. 1864

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the authority of the Texas Department of Insurance and  
3 the Texas Windstorm Insurance Association to issue certificates of  
4 compliance for association coverage.

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

6 SECTION 1. Section 2210.251(g), Insurance Code, is amended  
7 to read as follows:

8 (g) A certificate of compliance issued by the department or  
9 association under Section 2210.2515 demonstrates compliance with  
10 the applicable building code under the plan of operation. The  
11 certificate is evidence of insurability of the structure by the  
12 association.

13 SECTION 2. Section 2210.2515, Insurance Code, is amended by  
14 amending Subsections (c), (c-1), (i), and (k) and adding Subsection  
15 (f) to read as follows:

16 (c) A person may apply to the association [~~department~~] on a  
17 form prescribed by the department for a certificate of compliance  
18 for a completed improvement. The association [~~department~~] shall  
19 issue a certificate of compliance for a completed improvement if a  
20 professional engineer licensed by the Texas Board of Professional  
21 Engineers and Land Surveyors:

22 (1) has designed the improvement, has affixed the  
23 engineer's seal on the design, and submits to the association  
24 [~~department~~] on a form prescribed by the department an affirmation

1 that the design complies with the applicable building code under  
2 the plan of operation and that the improvement was constructed in  
3 accordance with the design; or

4 (2) completes and submits to the association  
5 [~~department~~] a sealed post-construction evaluation report that:

6 (A) confirms the improvement's compliance with  
7 the applicable building code under the plan of operation; and

8 (B) includes documentation supporting the  
9 engineer's post-construction evaluation report on a form  
10 prescribed by the department on which the engineer has affixed the  
11 engineer's seal.

12 (c-1) The association [~~department~~] may deny an application  
13 for a certificate of compliance under Subsection (c) if the  
14 evaluation report or the form prescribed by the department under  
15 Subsection (c)(1) is not fully documented as required under  
16 Subsection (c).

17 (f) If the department determines not to issue a certificate  
18 of compliance under Subsection (e), a person may apply for a  
19 certificate of compliance under Subsection (c).

20 (i) The association [~~department~~] is authorized to submit a  
21 formal complaint under Chapter 1001, Occupations Code, to the Texas  
22 Board of Professional Engineers and Land Surveyors related to the  
23 engineering work of a professional engineer as reflected in the  
24 sealed post-construction evaluation report or other materials  
25 submitted by an engineer under Subsection (c).

26 (k) The department or association may rescind a certificate  
27 of compliance issued under this section if the department finds

1 that the improvement does not comply with the applicable building  
2 code under the plan of operation. The commissioner may adopt rules  
3 as necessary to implement this subsection.

4 SECTION 3. The commissioner of insurance shall adopt rules  
5 to implement this Act not later than December 31, 2021.

6 SECTION 4. Section [2210.2515](#), Insurance Code, as amended by  
7 this Act, applies only to an application for a certificate of  
8 compliance made on or after January 1, 2022. An application for a  
9 certificate of compliance made before January 1, 2022, is governed  
10 by the law as it existed immediately before the effective date of  
11 this Act, and that law is continued in effect for that purpose.

12 SECTION 5. This Act takes effect September 1, 2021.