

BILL ANALYSIS

C.S.H.B. 3333
By: Paul
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerned constituents have reported that their condominium complexes located just outside the Texas Windstorm Insurance Association (TWIA) catastrophe area have been unable to receive insurance and are ineligible for coverage under the Texas FAIR Plan because their property insurance is unaffordable but still offered. C.S.H.B. 3333 seeks to allow individuals who reside near but outside the TWIA catastrophe area to access affordable property insurance through the Texas FAIR Plan by providing for offers of coverage in the voluntary market that exceed a certain cost threshold to be considered a declination of coverage for purposes of FAIR Plan eligibility.

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

C.S.H.B. 3333 amends the Insurance Code to establish that for an applicant owning residential property located not more than four miles beyond the designated Texas Windstorm Insurance Association (TWIA) catastrophe area, an offer of coverage for the property through the voluntary market at a cost that exceeds 110 percent of the cost for a FAIR Plan policy providing equivalent coverage of residential property with similar rating characteristics, including size, elevation, age, and construction standards, is considered a declination of coverage from an insurer for purposes of establishing eligibility for FAIR Plan coverage.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3333 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute corrects an error in the introduced by changing the cost of offered coverage in the voluntary market that makes the offer considered a declination for purposes of FAIR Plan eligibility from a cost that exceeds 10 percent of the cost for an equivalent FAIR Plan

Association policy, as in the introduced, to a cost that exceeds 110 percent of the cost for such a policy.