

## **BILL ANALYSIS**

S.B. 1393  
By: Middleton  
Insurance  
Committee Report (Unamended)

### **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. S.B. 1393 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**

S.B. 1393 amends the Insurance Code to establish that for residential properties in the area surrounding, but not located more than four miles beyond, the designated Texas Windstorm Insurance Association 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 substantially 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.