

By: Janek, et al.

S.B. No. 463

A BILL TO BE ENTITLED

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AN ACT

relating to structures that constitute insurable property under the Texas Windstorm Insurance Association.

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

SECTION 1. Subsection (f), Section 3, Article 21.49, Insurance Code, is amended to read as follows:

(f) "Insurable Property" means immovable property at fixed locations in a catastrophe area or corporeal movable property located therein (as may be designated in the plan of operation) which property is determined by the Association, pursuant to the criteria specified in the plan of operation to be in an insurable condition against windstorm, hail and/or fire and explosion as appropriate, as determined by normal underwriting standards; provided, however, that insofar as windstorm and hail insurance is concerned, any structure located within a catastrophe area, commenced on or after the 30th day following the publication of the plan of operation, not built or continuing in compliance with building specifications set forth in the plan of operation shall not be an insurable risk under this Act except as otherwise provided under this Act. A structure, or an addition thereto, which is constructed in conformity with plans and specifications that comply with the specifications set forth in the plan of operation at the time construction commences shall not be declared ineligible for windstorm and hail insurance as a result of subsequent changes in

1 the building specifications set forth in the plan of operation.
2 When repair of damage to a structure involves replacement of items
3 covered in the building specifications as set forth in the plan of
4 operation, such repairs must be completed in a manner to comply with
5 such specifications for the structure to continue within the
6 definition of Insurable Property for windstorm and hail insurance.
7 Nothing in this Act shall preclude special rating of individual
8 risks as may be provided in the plan of operation. For purposes of
9 this Act, all structures, other than a condominium, apartment,
10 duplex, or other multifamily residence, or a hotel or resort
11 facility, which are located within those areas designated as units
12 under the federal Coastal Barrier Resources Act (Public Law 97-348)
13 and for which a building permit or plat has been filed with the
14 municipality, county, or the United States Army Corps of Engineers
15 before the effective date of Senate Bill 463, Acts of the 78th
16 Legislature, Regular Session, 2003, are [~~construction has~~
17 ~~commenced on or after July 1, 1991 shall not be considered~~
18 insurable property.

19 SECTION 2. Article 21.49, Insurance Code, as amended by
20 this Act, applies only to an insurance policy delivered or issued
21 for delivery by the Texas Windstorm Insurance Association on or
22 after the effective date of this Act. A policy delivered or issued
23 for delivery before the effective date of this Act is governed by
24 the law as it existed immediately before the effective date of this
25 Act, and that law is continued in effect for that purpose.

26 SECTION 3. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2003.