

By: Janek

S. B. No. 463

A BILL TO BE ENTITLED

# 1 AN ACT

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

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

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

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

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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 which are located within those areas~~  
10 ~~designated as units under the federal Coastal Barrier Resources Act~~  
11 ~~(Public Law 97-348) and for which construction has commenced on or~~  
12 ~~after July 1, 1991 shall not be considered insurable property.~~]

13 SECTION 2. Article 21.49, Insurance Code, as amended by  
14 this Act, applies only to an insurance policy delivered or issued  
15 for delivery by the Texas Windstorm Insurance Association on or  
16 after January 1, 2004. A policy delivered or issued for delivery  
17 before January 1, 2004, is governed by the law as it existed  
18 immediately before the effective date of this Act, and that law is  
19 continued in effect for that purpose.

20 SECTION 3. This Act takes effect September 1, 2003.