

BILL ANALYSIS

Senate Research Center

S.B. 865
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Economic Development
3-13-97
As Filed

DIGEST

Currently, Article 21.49, Insurance Code, the Texas Catastrophe Property Insurance Pool Act, provides for windstorm, hail, and fire insurance policies issued by the Texas Catastrophe Property Insurance Association. The Act does not require an insurance policy that offers financial assistance to remove the debris left behind when a home is destroyed or partially destroyed by a storm, or when high tides damage beach front property. This bill would require a policy of windstorm and hail insurance to include coverage for the demolition of dwellings and other associated structures and the removal of the associated debris under certain circumstances.

PURPOSE

As proposed, S.B. 865 requires a policy of windstorm and hail insurance issued by the Texas Catastrophe Property Insurance Association to include coverage for the demolition of a dwelling and other associated structures and the removal of associated debris under certain conditions.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the commissioner of insurance in SECTION 1 (Article 21.49, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 21.49, Insurance Code (Texas Catastrophe Property Insurance Pool Act), by adding Section 8C, as follows:

Sec. 8C. COVERAGE FOR DEMOLITION AND DEBRIS REMOVAL. Requires a policy of windstorm and hail insurance issued by the Texas Catastrophe Property Insurance Association to include coverage for the demolition of a dwelling and other associated structures and the removal of associated debris if the dwelling and other associated structures are covered under the policy; and at least 50 percent of the dwelling is destroyed at the time of loss through wind damage, hail damage, or wind-driven rain damage. Requires the commissioner of insurance to adopt rules as necessary to implement this section.

SECTION 2. Makes application of this Act prospective to January 1, 1998.

SECTION 3. Emergency clause.
Effective date: 90 days after adjournment.