

BILL ANALYSIS

Senate Research Center
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S.B. 581
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Business & Commerce
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DIGEST AND PURPOSE

Use of insulating concrete forms in residential building construction provides better resistance to windstorms, termites, mold, and fire than do some other methods of construction. As proposed, S.B. 581 requires a mandatory discount in homeowners insurance premiums for the use of an insulating concrete form system. The amount of the premium discount will be determined by the commissioner of insurance.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Article 5.33E, Sections 3 and 4, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 5, Insurance Code, by adding Article 5.33E, as follows:

Art. 5.33E. PREMIUM DISCOUNT FOR USE OF INSULATING CONCRETE FORM SYSTEM

Sec. 1. DEFINITIONS. Defines “applicant for insurance coverage,” “insurer,” and “insulating concrete form system.”

Sec. 2. PREMIUM DISCOUNT REQUIRED. (a) Requires an insurer to grant a discount in an applicant’s homeowners’ insurance premiums for covered property constructed with an insulating concrete system, upon receipt of written verification.

(b) Requires the verification to comply with the requirements under Section 3 in this article.

Sec. 3. RULES; INSPECTION. (a) Requires the commissioner of insurance (commissioner) to adopt rules to verify the use of insulating concrete forms in construction of a building, and authorizes the commissioner to adopt additional rules to implement this article.

(b) Provides that the rules may require, if the commissioner considers it necessary, an inspection to be paid for by the applicant.

Sec. 4. AMOUNT OF PREMIUM DISCOUNT. Requires the commissioner to establish by rule the amount of the premium discount applicable under this article.

SECTION 2. Makes application of this Act prospective to January 1, 2004.

SECTION 3. Effective date: September 1, 2003.