

BILL ANALYSIS

Senate Research Center
78R13640 PB-F

C.S.S.B. 581
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Business & Commerce
4-30-2003
Committee Report (Substituted)

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. C.S.S.B. 581 authorizes an optional 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. OPTIONAL 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. OPTIONAL PREMIUM DISCOUNT. (a) Authorizes an insurer to grant a discount, in accordance with the rules adopted by the commissioner of insurance (commissioner) under this article, 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 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. (a) Requires the commissioner to establish by rule the amount of the premium discount applicable under this article.

(b) Authorizes the commissioner to approve a discount greater or less than the discount established under Subsection (a) in certain circumstances.

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

SECTION 3. Effective date: September 1, 2003.