

BILL ANALYSIS

Senate Research Center
79R3227 PB-D

H.B. 2298
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Business & Commerce
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Section 8E, Article 21.49, Insurance Code, was enacted to provide credit for structures built to a more stringent building code along the Texas coast. The statute responded to a specific and comprehensive change in building codes applicable to structures built in designated catastrophe areas that might seek wind and hail insurance coverage through the Texas Windstorm Insurance Association (TWIA), namely, the Building Code for Windstorm Resistant Construction adopted in 1997.

Since 1997, the Texas Department of Insurance (department) has adopted the International Residential Code, which is a new building code, as the standards for windstorm construction. The statute, as written, applies to all future building code changes regardless of the appropriateness of a reduction in insurance risk relative to the building code change. The department believes this statute was not intended for application to all future building code changes and, accordingly, recommends the repeal of Section 8E, Article 21.49, Insurance Code.

H.B. 2298 repeals Section 8E, Article 21.49, Insurance Code.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Repealer: Section 8E (Reinsured Excess Limits), Article 21.49, Insurance Code, as added by Section 3, Chapter 1000, Acts of the 75th Legislature, Regular Session, 1997.

SECTION 2. Effective date: upon passage or September 1, 2005.