

BILL ANALYSIS

Senate Research Center

H.B. 941
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Business & Commerce
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Section 1.01 of S.B. 127, enacted during the 78th Legislature, Regular Session, 2003, prohibits an insurer from using a prior appliance-related claim as a basis for determining the rate to be paid for that property or determining whether to issue, renew, or cancel an insurance policy of the prior appliance-related claim was properly remediated and was inspected and certified by a person knowledgeable and experiences in remediation of water damage. However, an insurer can use the prior appliance-related claim in determining rates if the insured or the property had previously experienced three or more appliance-related claims under a homeowner's insurance policy.

Subsequently, the Texas Department of Insurance adopted a definition of "appliance," in Section 21.1007(b)(5) of the Texas Administrative Code, which did not include hoses as part of the appliance. Many appliances rely on hoses to deliver water to and from the appliance. Hoses are commonly considered to be part of an appliance, similar to a power cord's consideration as part of an appliance.

H.B. 941 clarifies that hoses are considered part of the definition of an appliance, for the purposes of complying with the Article 5.35-4 of the 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. Amends Section 2, Article 5.35-4, Insurance Code, by adding Subdivision (4), to define "appliance."

SECTION 2. Makes application of this Act prospective to January 1, 2006.

SECTION 3. Effective date: September 1, 2005.