

INSURANCE CODE

TITLE 10. PROPERTY AND CASUALTY INSURANCE

SUBTITLE D. FIRE INSURANCE AND ALLIED LINES,

INCLUDING RESIDENTIAL PROPERTY INSURANCE

CHAPTER 2004. RESIDENTIAL PROPERTY INSURANCE IN UNDERSERVED AREAS

Sec. 2004.001. DEFINITION. In this chapter, "residential property insurance" means insurance against loss to real or tangible personal property at a fixed location that is provided through a homeowners insurance policy, residential fire and allied lines insurance policy, or farm and ranch owners insurance policy. Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2004.002. DESIGNATION OF UNDERSERVED AREAS. (a) The commissioner by rule may designate an area as an underserved area for residential property insurance.

(b) In determining which areas to designate as underserved, the commissioner shall consider:

(1) whether residential property insurance is not reasonably available to a substantial number of owners of insurable property in the area;

(2) whether access to the full range of coverages and policy forms for residential property insurance does not reasonably exist; and

(3) any other relevant factor as determined by the commissioner.

(c) The commissioner shall determine which areas to designate as underserved under this section not less than once every six years.

(d) The commissioner shall conduct a study concerning the accuracy of current designations of underserved areas under this section for the purpose of increasing and improving access to insurance in those areas not less than once every six years.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1147 (H.B. 1951), Sec. 8.001, eff. September 1, 2011.

Sec. 2004.003. AUTHORIZATION FOR ISSUANCE OF INSURANCE. An insurer authorized to write property or casualty insurance in this state, including a Lloyd's plan and a reciprocal or interinsurance exchange, that writes residential property insurance in this state may write that insurance on forms adopted under this chapter. Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2004.004. EXCLUSION OF CERTAIN COVERAGE. Insurance provided under this chapter may not include windstorm and hail insurance coverage for a risk eligible for that coverage under Chapter 2210. Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2004.005. AVAILABILITY OF COVERAGE. In a designated underserved area, each insurer described by Section 2004.003 shall provide to the insurer's agents, and the agents shall offer to all insureds, the full range of coverages prescribed under this chapter subject to the insurer's applicable rates and underwriting guidelines. Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2004.006. POLICY FORMS. (a) The commissioner shall adopt policy forms for residential property insurance that are specifically for use in designated underserved areas. The policy forms must include a basic policy covering fire and allied lines perils with endorsements providing additional coverage at the insured's option.

(b) An insurer writing insurance in an underserved area may use the policy forms adopted under this chapter. Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2004.007. INAPPLICABILITY OF CERTAIN LAWS TO PREMIUMS.

The premium for an insurance policy written under this chapter is not:

- (1) subject to tax under Chapter [221](#); and
- (2) considered net direct premiums under Section [2210.003](#)(7).

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. [2017](#)), Sec. 2, eff. April 1, 2007.

Sec. 2004.008. RATES. Rates for coverage provided under this chapter are determined according to the provisions of this code applicable to the insurer providing the coverage.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. [2017](#)), Sec. 2, eff. April 1, 2007.