



Texas Department of Insurance

333 Guadalupe Street P.O.Box 149104 Austin,Texas 78714-9104
512/463-6169

October 31, 1996

COMMISSIONER'S BULLETIN NO. B-0075-96

TO: ALL COMPANIES, CORPORATIONS, EXCHANGES, MUTUALS, RECIPROCALs, ASSOCIATIONS, LLOYDS, OR OTHER INSURERS WRITING PROPERTY AND CASUALTY INSURANCE IN THE STATE OF TEXAS

Re: Commissioner's Order No. 96-1184, adoption of Rule 28 TAC §5.3800 concerning the implementation of the Voluntary Inspection Program (VIP) pursuant to Insurance Code, Article 5.33B.

The Commissioner of Insurance by Commissioner's Order No. 96-1184, has adopted Rule 28 TAC §5.3800 to allow persons owning real or tangible personal property at a fixed location, who desire to purchase residential property insurance, to procure an independent inspection of the condition of the property by an independent inspector authorized to perform such inspections in order to obtain a certificate of insurability. The VIP is a statewide program and is not limited to the Market Assistance Program's (MAP) designated underserved areas, however the certificate of insurability may be used to qualify the property for participation in the MAP. The new rule provides standards for determining the condition of the property, forms to be used in the inspection process, specific forms and procedures for licensing and certification of qualified inspectors, outlines enforcement provisions to protect the integrity of the program, and provides complaint handling procedures.

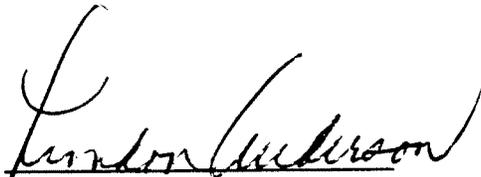
An individual may request an inspection from an inspector licensed or certified by the Department. The individual may obtain names and phone numbers of licensed or certified inspectors from the Inspections and Fire Safety Section of the Texas Department of Insurance by fax, telephone or mail. Individuals requesting an inspection of their residential property may be required to pay a reasonable fee not to exceed \$50.00 per inspection. The residential property must meet the requirements set forth in the rule for average or better condition of the property in order to qualify the property for a certificate of insurability. The certificate is valid for 3 years. Issuance of a certificate of insurability does not guarantee an insurance policy will be provided by an insurer. However, if a certificate is provided to an insurer as part of an application for residential property insurance, the insurer may not use property condition as grounds for refusing to issue or renew a residential property insurance policy unless the insurer reinspects the property and specifies in its

declination letter the conditions of deficiency causing the residential property risk to be uninsurable.

Individuals with residential property inspection experience, local recording agents, solicitors, adjusters, real estate appraisers, real estate agents and municipal building inspectors are eligible to apply to the Department for licensing/certification. Applications and licensed inspector information may be obtained from the Department by contacting:

Inspections and Fire Safety, MC103-1D
P. O. Box 149104
Austin, Texas 78714-9104
Phone 512-322-2259
FAX 512-322-3515

A copy of the residential property condition evaluation report form VIP-2 is enclosed for your review. A copy of the rule is printed in the Texas Register, October 18, 1996, Volume 21, page TexReg 10302 or a copy may be requested from the Department. The VIP becomes effective October 30, 1996.



Lyndon Anderson
Associate Commissioner
Property and Casualty, MC103-1A

Enclosure

TEXAS

RESIDENTIAL PROPERTY CONDITION EVALUATION REPORT

Voluntary Inspection of Property Condition as Prescribed in Article 5.33B, Texas Insurance Code

INSURED:

NAME: _____

PROPERTY OWNER:

NAME: _____

ADDRESS: _____

, Lot/Block # /#

, Addition Name
or Subdivision

CITY/COMMUNITY: _____

, TEXAS

ZIP: _____

DAY TIME PHONE: _____

DATE OF INSPECTION: _____

I. GENERAL INFORMATION

TYPE OF DWELLING:

- Single
- Duplex
- Townhouse
- Condo
- Mobile
- Modular
- Other (Describe)

AGE OF DWELLING:

- Year Built
or approximate age
- 1-10 Years
 - 11-20 Years
 - 21-30 Years
 - 31-40 Years
 - 41-50 Years
 - Over 50 Years

TYPE OF CONSTRUCTION:

- (Comprising 50%)
- Frame (wood frame)
 - Stucco (wood frame)
 - Brick Veneer (wood frame)
 - Solid Masonry (load bearing)
 - Non Combustible (steel frame)
 - Fire Resistive

ROOF MATERIAL:

- Composition Shingle
- Built Up Tar and Gravel
- Wood Shingle/Shake
- Composition over Wood Shingle
- Rolled Roofing
- Concrete Tile
- Clay Tile
- Metal
- Slate
- Number of Roof Overlays _____
- Age of Roof _____

FOUNDATION:

- | | Yes | No |
|-------------------|--------------------------|--------------------------|
| Slab | <input type="checkbox"/> | <input type="checkbox"/> |
| Pier and Beam | <input type="checkbox"/> | <input type="checkbox"/> |
| Fully Enclosed | <input type="checkbox"/> | <input type="checkbox"/> |
| Number of Stories | | |
| Basement | <input type="checkbox"/> | <input type="checkbox"/> |
| GARAGE: | | |
| Attached | <input type="checkbox"/> | <input type="checkbox"/> |
| Detached | <input type="checkbox"/> | <input type="checkbox"/> |
| Carport | <input type="checkbox"/> | <input type="checkbox"/> |
| Number of Cars | | |

AREA:

- (Heated/Cooled)
- | | |
|------------------------------|----|
| Grade Floor | sf |
| 2nd | sf |
| 3rd | sf |
| Garage | sf |
| Basement | sf |
| Finished Attic (storage) | sf |
| Other structures on premises | |
| (Describe) | |

II. CONDITION OF PROPERTY*

CONDITION OF PROPERTY:

- 1 = Very Good
- 2 = Good
- 3 = Average
- 4 = Poor (Describe)

- Exterior
- Roof
- Interior
- Electrical
- Plumbing, Heating, Cooling
- Outbuildings and Fences

- | | Yes | No |
|--|--------------------------|--------------------------|
| Any unrepaired previous damage | <input type="checkbox"/> | <input type="checkbox"/> |
| Good housekeeping | <input type="checkbox"/> | <input type="checkbox"/> |
| Good maintenance | <input type="checkbox"/> | <input type="checkbox"/> |
| Business or commercial exposures on premises | <input type="checkbox"/> | <input type="checkbox"/> |
| Vacancy of the property | <input type="checkbox"/> | <input type="checkbox"/> |
| Unfenced swimming pools, hot tubs, fish ponds,
other bodies of water, or trampolines | <input type="checkbox"/> | <input type="checkbox"/> |
| Property accessible to fire equipment | <input type="checkbox"/> | <input type="checkbox"/> |
| All modifications, additions or repairs made with generally
accepted standards of construction/installation | <input type="checkbox"/> | <input type="checkbox"/> |

(Describe all adverse responses)

*See Page 4 for criteria in determining average or better construction.

III. PROTECTION AND HAZARDS

PROTECTION:

Is structure isolated?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Is structure inaccessible to fire equipment?	<input type="checkbox"/>		<input type="checkbox"/>	
Is property inside city limits?	<input type="checkbox"/>		<input type="checkbox"/>	
Distance to responding fire department (miles)	0-3 <input type="checkbox"/>	3-5 <input type="checkbox"/>	Over 5 <input type="checkbox"/>	
Over paved roads	<input type="checkbox"/>		<input type="checkbox"/>	Over unpaved roads <input type="checkbox"/>
Paid fire department	<input type="checkbox"/>		<input type="checkbox"/>	Volunteer fire dept. <input type="checkbox"/>
Distance to nearest fire hydrant (feet)	0-500' <input type="checkbox"/>	500'-1000' <input type="checkbox"/>	Over 1000' <input type="checkbox"/>	

Automatic Sprinkler System	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	(Name and Type)
Fire/Smoke Detectors	<input type="checkbox"/>		<input type="checkbox"/>		(Number of Detectors)
Fire Extinguishers	<input type="checkbox"/>		<input type="checkbox"/>		(Number of Extinguishers)
Burglar Alarm	<input type="checkbox"/>		<input type="checkbox"/>		(Name and Type)
Deadbolt Locks	<input type="checkbox"/>		<input type="checkbox"/>		
Security Lighting	<input type="checkbox"/>		<input type="checkbox"/>		

HAZARDS

Major cracks in walks or driveways?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Fireplace?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Dwelling hidden from view or obscured?	<input type="checkbox"/>		<input type="checkbox"/>		Woodburning stove?	<input type="checkbox"/>		<input type="checkbox"/>	
Is property built on steep grade or slope?	<input type="checkbox"/>		<input type="checkbox"/>		Space heaters ?	<input type="checkbox"/>		<input type="checkbox"/>	
Is property vacant or used as seasonal dwelling?	<input type="checkbox"/>		<input type="checkbox"/>		Circuit breakers present?	<input type="checkbox"/>		<input type="checkbox"/>	
Any business or farming conducted on premises?	<input type="checkbox"/>		<input type="checkbox"/>		Deteriorating steps?	<input type="checkbox"/>		<input type="checkbox"/>	
Playground, school or park within one block of dwelling?	<input type="checkbox"/>		<input type="checkbox"/>		Trees overhang dwelling ?	<input type="checkbox"/>		<input type="checkbox"/>	
Any evidence of vandalism?	<input type="checkbox"/>		<input type="checkbox"/>		Is property built over water?	<input type="checkbox"/>		<input type="checkbox"/>	
Boats, aircraft, golfcarts, go-carts, motorcycles on premises?	<input type="checkbox"/>		<input type="checkbox"/>						
Type of electrical wiring (copper, aluminum, other)									

Pets or livestock on premises?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Enclosed by fence?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Aggressive?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Trampoline?	<input type="checkbox"/>		<input type="checkbox"/>		Enclosed by fence?	<input type="checkbox"/>		<input type="checkbox"/>					<input type="checkbox"/>	
Swimming pool?	<input type="checkbox"/>		<input type="checkbox"/>		Enclosed by fence?	<input type="checkbox"/>		<input type="checkbox"/>					<input type="checkbox"/>	
Interior water damage?	<input type="checkbox"/>		<input type="checkbox"/>		Repaired?	<input type="checkbox"/>		<input type="checkbox"/>					<input type="checkbox"/>	

DIMENSIONAL SKETCH/DIAGRAM:

III. PROTECTION AND HAZARDS

PROTECTION:

Is structure isolated?	Yes	No		
Is structure inaccessible to fire equipment?	<input type="checkbox"/>	<input type="checkbox"/>		
Is property inside city limits?	<input type="checkbox"/>	<input type="checkbox"/>		
Distance to responding fire department (miles)	0-3 <input type="checkbox"/>	3-5 <input type="checkbox"/>	Over 5 <input type="checkbox"/>	
Over paved roads	<input type="checkbox"/>	<input type="checkbox"/>	Over unpaved roads	Yes <input type="checkbox"/> No <input type="checkbox"/>
Paid fire department	<input type="checkbox"/>	<input type="checkbox"/>	Volunteer fire dept.	<input type="checkbox"/> <input type="checkbox"/>
Distance to nearest fire hydrant (feet)	0-500' <input type="checkbox"/>	500'-1000' <input type="checkbox"/>	Over 1000' <input type="checkbox"/>	

Automatic Sprinkler System	Yes <input type="checkbox"/>	No <input type="checkbox"/>	(Name and Type)
Fire/Smoke Detectors	<input type="checkbox"/>	<input type="checkbox"/>	(Number of Detectors)
Fire Extinguishers	<input type="checkbox"/>	<input type="checkbox"/>	(Number of Extinguishers)
Burglar Alarm	<input type="checkbox"/>	<input type="checkbox"/>	(Name and Type)
Deadbolt Locks	<input type="checkbox"/>	<input type="checkbox"/>	
Security Lighting	<input type="checkbox"/>	<input type="checkbox"/>	

HAZARDS

Major cracks in walks or driveways?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Fireplace?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Dwelling hidden from view or obscured?	<input type="checkbox"/>	<input type="checkbox"/>	Woodburning stove?	<input type="checkbox"/>	<input type="checkbox"/>
Is property built on steep grade or slope?	<input type="checkbox"/>	<input type="checkbox"/>	Space heaters ?	<input type="checkbox"/>	<input type="checkbox"/>
Is property vacant or used as seasonal dwelling?	<input type="checkbox"/>	<input type="checkbox"/>	Circuit breakers present?	<input type="checkbox"/>	<input type="checkbox"/>
Any business or farming conducted on premises?	<input type="checkbox"/>	<input type="checkbox"/>	Deteriorating steps?	<input type="checkbox"/>	<input type="checkbox"/>
Playground, school or park within one block of dwelling?	<input type="checkbox"/>	<input type="checkbox"/>	Trees overhang dwelling ?	<input type="checkbox"/>	<input type="checkbox"/>
Any evidence of vandalism?	<input type="checkbox"/>	<input type="checkbox"/>	Is property built over water?	<input type="checkbox"/>	<input type="checkbox"/>
Boats, aircraft, golfcarts, go-carts, motorcycles on premises?	<input type="checkbox"/>	<input type="checkbox"/>			
Type of electrical wiring (copper, aluminum, other)					

Pets or livestock on premises?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Enclosed by fence?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Aggressive?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Trampoline?	<input type="checkbox"/>	<input type="checkbox"/>	Enclosed by fence?	<input type="checkbox"/>	<input type="checkbox"/>			
Swimming pool?	<input type="checkbox"/>	<input type="checkbox"/>	Enclosed by fence?	<input type="checkbox"/>	<input type="checkbox"/>			
Interior water damage?	<input type="checkbox"/>	<input type="checkbox"/>	Repaired?	<input type="checkbox"/>	<input type="checkbox"/>			

DIMENSIONAL SKETCH/DIAGRAM:

Criteria in Determining Average or Better Condition

Exterior

- Only minor cosmetic foundation related cracks on the slab or above windows or doors
- No major cracks, separations or evidence of shifting or movement in walls, walks and driveway
- No missing window or door panes
- No signs of active termites or unrepaired insect damage
- No accumulation of trash, brush or other debris in yard
- Exposed wood (siding, fascia, soffit, doors, steps, etc.) in good condition with no evidence of significant deterioration or significant peeling of paint
- Pier and beam foundations enclosed under all outside walls
- Additions, modifications or repairs to the exterior made in accordance with generally accepted standards at the time of the construction

Roof

- No roof coverings that are curling or cracking or missing shingles
- No roof coverings that show signs of significant deterioration
- No roofs that have been improperly installed or repaired

Interior

- No visible water damage
- No major cracks or separation in interior walls, flooring and ceiling
- Major appliances in good working condition
- Additions, modifications or repairs to the interior made in accordance with generally accepted standards at the time of the construction

Electrical

- Electrical wiring in good working condition
- No evidence of fuses repeatedly blowing or breakers tripping
- No flickering lights or evidence of overheating wiring
- Additions, modifications or repairs to electrical wiring made in accordance with generally accepted standards applicable at the time of installation

Plumbing, Heating, Cooling Systems

- Plumbing, heating and cooling systems in good working condition
- Free from leaks
- Space heaters and hot water heater properly vented and appropriate distance maintained from walls and furnishings
- Additions, modifications or repairs to plumbing, heating and cooling systems made in accordance with generally accepted standards applicable at the time of installation

Other Conditions

- Outbuildings and fences in good condition
- No business or commercial exposures on premises
- No vacancy of the property
- Property accessible to fire equipment
- No unfenced swimming pools, hot tubs, fish ponds or bodies of water or trampolines

