

By: King of Hemphill

H.B. No. 429

A BILL TO BE ENTITLED

AN ACT

relating to the coverage of damage from tornadoes and wildfires by the Texas Windstorm Insurance Association.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2210.001, Insurance Code, is amended to read as follows:

Sec. 2210.001. PURPOSE. The primary purpose of the Texas Windstorm Insurance Association is the provision of an adequate market for windstorm and hail insurance in the seacoast territory of this state and tornado insurance and wildfire insurance statewide. The legislature finds that the provision of adequate windstorm and hail insurance, tornado insurance, and wildfire insurance is necessary to the economic welfare of this state, and without that insurance, the orderly growth and development of this state would be severely impeded. This chapter provides a method by which adequate windstorm and hail insurance may be obtained in certain designated portions of the seacoast territory of this state and tornado insurance and wildfire insurance may be obtained statewide. The association is intended to serve as a residual insurer of last resort for windstorm and hail insurance in the seacoast territory and tornado insurance and wildfire insurance statewide. The association shall:

(1) function in such a manner as to not be a direct competitor in the private market; and

1           (2) provide windstorm and hail insurance coverage,  
2 tornado insurance coverage, and wildfire insurance coverage to  
3 those who are unable to obtain [~~that~~] coverage in the private  
4 market.

5           SECTION 2. Section 2210.003, Insurance Code, is amended by  
6 amending Subdivision (6) and adding Subdivisions (14), (15), and  
7 (16) to read as follows:

8           (6) "Insurance" means:  
9                 (A) Texas windstorm and hail insurance;  
10                (B) tornado insurance; and  
11                (C) wildfire insurance.

12           (14) "Tornado insurance" means insurance against:  
13                 (A) direct loss to insurable property incurred as  
14 a result of a tornado, as those terms are defined and limited in  
15 policies and forms approved by the department; and  
16                 (B) indirect losses resulting from the direct  
17 loss.

18           (15) "Wildfire" means an uncontrolled blaze fueled by  
19 weather, wind, and dry underbrush, trees, grasses, and other  
20 flammable material.

21           (16) "Wildfire insurance" means insurance against:  
22                 (A) direct loss to insurable property incurred as  
23 a result of wildfire, as those terms are defined and limited in  
24 policies and forms approved by the department; and  
25                 (B) indirect losses resulting from the direct  
26 loss.

27           SECTION 3. Sections 2210.004(a), (b), (c), and (d),

1 Insurance Code, are amended to read as follows:

2 (a) Except as provided by Subsection (h), for purposes of  
3 this chapter and subject to this section, "insurable property"  
4 means immovable property at a fixed location in a catastrophe area  
5 or corporeal movable property located in that immovable property,  
6 as designated in the plan of operation, that is determined by the  
7 association according to the criteria specified in the plan of  
8 operation to be in an insurable condition against windstorm and  
9 hail, tornado, and wildfire, as determined by normal underwriting  
10 standards. The term includes property described by Section  
11 [2210.209](#).

12 (b) A structure located in a catastrophe area, construction  
13 of which began on or after the 30th day after the date of  
14 publication of the plan of operation, that is not built in  
15 compliance with building specifications set forth in the plan of  
16 operation or continued in compliance with those specifications,  
17 does not constitute an insurable risk for purposes of windstorm and  
18 hail insurance, tornado insurance, or wildfire insurance except as  
19 otherwise provided by this chapter.

20 (c) A structure, or an addition to a structure, that is  
21 constructed in conformity with plans and specifications that comply  
22 with the specifications set forth in the plan of operation at the  
23 time construction begins may not be declared ineligible for  
24 windstorm and hail insurance, tornado insurance, or wildfire  
25 insurance as a result of subsequent changes in the building  
26 specifications set forth in the plan of operation.

27 (d) Except as otherwise provided by this section, if repair

1 of damage to a structure involves replacement of items covered in  
2 the building specifications set forth in the plan of operation, the  
3 repairs must be completed in a manner that complies with those  
4 specifications for the structure to continue to be insurable  
5 property for windstorm and hail insurance, tornado insurance, and  
6 wildfire insurance.

7 SECTION 4. Sections 2210.005(a) and (c), Insurance Code,  
8 are amended to read as follows:

9 (a) After at least 10 days' notice and a hearing, the  
10 commissioner may designate, with respect to windstorm and hail  
11 insurance, an area of the seacoast territory of this state as a  
12 catastrophe area or, with respect to tornado insurance and wildfire  
13 insurance, any area of this state as a catastrophe area if the  
14 commissioner determines, unless such a determination results in an  
15 adverse impact to the exposure of the association, that windstorm  
16 and hail insurance, tornado insurance, or wildfire insurance is not  
17 reasonably available to a substantial number of the owners of  
18 insurable property located in the area [~~that territory~~] because the  
19 area [~~territory~~] is subject to unusually frequent and severe damage  
20 resulting from windstorms, ~~[or]~~ hailstorms, tornadoes, or  
21 wildfires.

22 (c) If the association determines that windstorm and hail  
23 insurance, tornado insurance, or wildfire insurance is no longer  
24 reasonably unavailable to a substantial number of owners of  
25 insurable property in a territory designated as a catastrophe area,  
26 the association may request in writing that the commissioner revoke  
27 the designation. After at least 10 days' notice and a hearing, but

1 not later than the 30th day after the date of the hearing, the  
2 commissioner shall:

3 (1) approve the request and revoke the designation; or

4 (2) reject the request.

5 SECTION 5. Section 2210.009(a), Insurance Code, is amended  
6 to read as follows:

7 (a) The department shall maintain a list of all insurers  
8 that engage in the business of property and casualty insurance in  
9 the voluntary market in a municipality or county that is or that  
10 includes a catastrophe area [~~the seacoast territory~~].

11 SECTION 6. Section 2210.015(a), Insurance Code, is amended  
12 to read as follows:

13 (a) Each biennium, the department shall conduct a study of  
14 market incentives to promote participation in the voluntary  
15 windstorm and hail insurance, tornado insurance, and wildfire  
16 insurance markets [~~market~~] in [~~the seacoast territory of~~] this  
17 state. The study must address as possible incentives the mandatory  
18 or voluntary issuance of windstorm and hail insurance, tornado  
19 insurance, and wildfire insurance in conjunction with the issuance  
20 of a homeowners policy [~~in the seacoast territory~~].

21 SECTION 7. Section 2210.053(b), Insurance Code, is amended  
22 to read as follows:

23 (b) The department may develop programs to improve the  
24 efficient operation of the association, including a program for  
25 approving policy forms under Section 2301.010 and a program  
26 designed to create incentives for insurers to write windstorm and  
27 hail insurance, tornado insurance, and wildfire insurance

1 voluntarily to cover property located in a catastrophe area,  
2 especially property located on the barrier islands of this state.

3 SECTION 8. Section 2210.102(b), Insurance Code, is amended  
4 to read as follows:

5 (b) Three members must be representatives of the insurance  
6 industry who actively write and renew:

7 (1) tornado insurance or wildfire insurance; or

8 (2) windstorm and hail insurance in the first tier  
9 coastal counties.

10 SECTION 9. Section 2210.151, Insurance Code, is amended to  
11 read as follows:

12 Sec. 2210.151. ADOPTION OF PLAN OF OPERATION. With the  
13 advice of the board of directors, the commissioner by rule shall  
14 adopt the plan of operation to provide Texas windstorm and hail  
15 insurance, tornado insurance, and wildfire insurance in a  
16 catastrophe area.

17 SECTION 10. Section 2210.152(a), Insurance Code, is amended  
18 to read as follows:

19 (a) The plan of operation must:

20 (1) provide for the efficient, economical, fair, and  
21 nondiscriminatory administration of the association; and

22 (2) include:

23 (A) a plan for the equitable assessment of the  
24 members of the association to defray losses and expenses;

25 (B) underwriting standards;

26 (C) procedures for accepting and ceding  
27 reinsurance;

1 (D) procedures for obtaining and repaying  
2 amounts under any financial instruments authorized under this  
3 chapter;

4 (E) procedures for determining the amount of  
5 insurance to be provided to specific risks;

6 (F) time limits and procedures for processing  
7 applications for insurance;

8 (G) a requirement that a nonresident agent  
9 licensed under Section [4056.052](#) may not offer or sell a Texas  
10 windstorm and hail insurance policy, tornado insurance policy, or  
11 wildfire insurance policy under this chapter unless the nonresident  
12 agent's state of residence authorizes a resident agent licensed in  
13 this state to act in the nonresident agent's state as an agent for  
14 that state's residual insurer of last resort for windstorm and hail  
15 insurance, tornado insurance, or wildfire insurance; and

16 (H) other provisions as considered necessary by  
17 the department to implement the purposes of this chapter.

18 SECTION 11. Sections [2210.202](#)(a) and (b), Insurance Code,  
19 are amended to read as follows:

20 (a) A person who has an insurable interest in insurable  
21 property may apply to the association for insurance coverage  
22 provided under the plan of operation and an inspection of the  
23 property, subject to any rules established by the board of  
24 directors and approved by the commissioner. The association shall  
25 make insurance available to each applicant in the catastrophe area  
26 whose property is insurable property but who, after diligent  
27 efforts, is unable to obtain property insurance through the

1 voluntary market, as evidenced by one declination from an insurer  
2 authorized to engage in the business of, and writing, property  
3 insurance providing windstorm and hail coverage in the first tier  
4 coastal counties or tornado insurance or wildfire insurance in this  
5 state. For purposes of this section, "declination" has the meaning  
6 assigned by the plan of operation and shall include a refusal to  
7 offer coverage for the perils of windstorm and hail, tornado, or  
8 wildfire and the inability to obtain substantially equivalent  
9 insurance coverage for the perils of windstorm and hail, tornado,  
10 or wildfire. Notwithstanding Section 2210.203(c), evidence of one  
11 declination every three calendar years is required before renewal  
12 of an association policy.

13 (b) A property and casualty agent must submit an application  
14 for initial insurance coverage on behalf of the applicant on forms  
15 prescribed by the association. An application for initial coverage  
16 must contain:

17 (1) a statement as to whether the applicant has  
18 submitted or will submit the required premium payment from personal  
19 funds or, if not, to whom a balance is or will be due; and

20 (2) a statement that the agent acting on behalf of the  
21 applicant possesses proof of the declination described by  
22 Subsection (a) and, with respect to windstorm and hail insurance,  
23 proof of flood insurance coverage or unavailability of that  
24 coverage as described by Section 2210.203(a-1).

25 SECTION 12. Section 2210.203(a-1), Insurance Code, is  
26 amended to read as follows:

27 (a-1) This subsection applies only to windstorm and hail



1 insurance and a structure constructed, altered, remodeled, or  
2 enlarged on or after September 1, 2009, and only for insurable  
3 property located in areas designated by the commissioner.  
4 Notwithstanding Subsection (a), if all or any part of the property  
5 to which this subsection applies is located in Zone V or another  
6 similar zone with an additional hazard associated with storm waves,  
7 as defined by the National Flood Insurance Program, and if flood  
8 insurance under that federal program is available, the association  
9 may not issue an insurance policy for initial or renewal coverage  
10 unless evidence that the property is covered by a flood insurance  
11 policy is submitted to the association. An agent offering or  
12 selling a Texas windstorm and hail insurance policy in any area  
13 designated by the commissioner under this subsection shall offer  
14 flood insurance coverage to the prospective insured, if that  
15 coverage is available.

16 SECTION 13. Section [2210.2031\(b\)](#), Insurance Code, is  
17 amended to read as follows:

18 (b) The process established under Subsection (a) must:

19 (1) provide for the association to verify:

20 (A) the declination required by Section  
21 [2210.202](#);

22 (B) with respect to windstorm and hail coverage,  
23 flood insurance coverage required by Section [2210.203](#); and

24 (C) any other information related to  
25 insurability of a property, including changes to the condition or  
26 value of the property that would affect the availability of  
27 coverage or premium cost to insure the property; and

1           (2) provide an opportunity for the policyholder to  
2 elect to cancel the policy before the policy automatically renews.

3           SECTION 14. Section 2210.205(a), Insurance Code, is amended  
4 to read as follows:

5           (a) A windstorm and hail insurance policy, tornado  
6 insurance policy, or wildfire insurance policy issued by the  
7 association must:

8           (1) require an insured to file a claim under the policy  
9 not later than the first anniversary of the date on which the damage  
10 to property that is the basis of the claim occurs;

11           (2) contain, in boldface type, a conspicuous notice  
12 concerning the resolution of disputes under the policy, including:

13                   (A) the processes and deadlines for appraisal  
14 under Section 2210.574 and alternative dispute resolution under  
15 Section 2210.575;

16                   (B) the binding effect of appraisal under Section  
17 2210.574; and

18                   (C) the necessity of complying with the  
19 requirements of Subchapter L-1 to seek relief, including judicial  
20 relief; and

21           (3) contain a conspicuous notice concerning the  
22 availability of supplemental payments under the policy, including:

23                   (A) a description of the process for requesting a  
24 supplemental payment; and

25                   (B) notice of applicable deadlines related to  
26 supplemental payments.

27           SECTION 15. The heading to Section 2210.207, Insurance

1 Code, is amended to read as follows:

2           Sec. 2210.207. WINDSTORM AND HAIL INSURANCE, TORNADO  
3 INSURANCE, AND WILDFIRE INSURANCE: REPLACEMENT COST COVERAGE.

4           SECTION 16. Sections 2210.207(b) and (e), Insurance Code,  
5 are amended to read as follows:

6           (b) Subject to any applicable deductibles and the limits for  
7 the coverage purchased by the insured, a windstorm and hail  
8 insurance policy, tornado insurance policy, or wildfire insurance  
9 policy issued by the association may include replacement cost  
10 coverage for one- and two-family dwellings, including  
11 outbuildings, as provided under the dwelling extension coverage in  
12 the policy.

13           (e) Notwithstanding this chapter or any other law, the  
14 commissioner, after notice and hearing, may adopt rules to:

15                   (1) authorize the association to provide actual cash  
16 value coverage instead of replacement cost coverage on the roof  
17 covering of a building insured by the association; and

18                   (2) establish:

19                           (A) the conditions under which the association  
20 may provide that actual cash value coverage;

21                           (B) the appropriate premium reductions when  
22 coverage for the roof covering is provided on an actual cash value  
23 basis; and

24                           (C) the disclosure that must be provided to the  
25 policyholder, prominently displayed on the face of the windstorm  
26 and hail insurance policy, tornado insurance policy, or wildfire  
27 insurance policy.

1 SECTION 17. The heading to Section 2210.208, Insurance  
2 Code, is amended to read as follows:

3 Sec. 2210.208. WINDSTORM AND HAIL INSURANCE, TORNADO  
4 INSURANCE, AND WILDFIRE INSURANCE: COVERAGE FOR CERTAIN INDIRECT  
5 LOSSES.

6 SECTION 18. Sections 2210.208(a) and (b), Insurance Code,  
7 are amended to read as follows:

8 (a) Except as provided by Subsections (e) and (f), a  
9 windstorm and hail insurance policy, tornado insurance policy, or  
10 wildfire insurance policy issued by the association for a dwelling,  
11 as that term is defined by the department or a successor to the  
12 department, must include coverage for:

13 (1) with respect to a windstorm and hail insurance  
14 policy, wind-driven rain damage, regardless of whether an opening  
15 is made by the wind;

16 (2) loss of use; and

17 (3) consequential losses.

18 (b) A windstorm and hail insurance policy, tornado  
19 insurance policy, or wildfire insurance policy issued by the  
20 association for tenant contents of a dwelling or other residential  
21 building must include coverage for loss of use and consequential  
22 losses.

23 SECTION 19. The heading to Subchapter F, Chapter 2210,  
24 Insurance Code, is amended to read as follows:

25 SUBCHAPTER F. PROPERTY INSPECTIONS [~~FOR WINDSTORM AND HAIL~~  
26 ~~INSURANCE~~]

27 SECTION 20. Section 2210.253, Insurance Code, is amended to

1 read as follows:

2           Sec. 2210.253. INITIAL INSURER ASSESSMENT[: ~~FIRST TIER~~  
3 ~~COASTAL COUNTY~~]. (a) In this section, "property insurance" means a  
4 commercial or residential insurance policy prescribed or approved  
5 by the department that provides coverage for windstorm and hail  
6 damage, including a Texas windstorm and hail insurance policy, or  
7 loss from tornado or wildfire.

8           (b) The department shall assess each insurer that provides  
9 property insurance in [~~a first tier coastal county in~~] accordance  
10 with this section.

11           (c) The total assessment under this section in a state  
12 fiscal year must be in the amount estimated by the department as  
13 necessary to cover the administrative costs of the [~~windstorm~~]  
14 inspection program under Section 2210.251 to be incurred in [~~the~~  
15 ~~first tier coastal counties in~~] that fiscal year.

16           (d) The assessment must be based on each insurer's  
17 proportionate share of the total extended coverage and other allied  
18 lines premium received by all insurers for property insurance in  
19 the state [~~first tier coastal counties~~] in the calendar year  
20 preceding the year in which the assessment is made.

21           (e) The commissioner shall adopt rules to implement the  
22 assessment of insurers under this section.

23           SECTION 21. Section 2210.2551(b), Insurance Code, is  
24 amended to read as follows:

25           (b) The commissioner by rule shall establish criteria to  
26 ensure that a person seeking appointment as a qualified inspector  
27 under this subchapter possesses the knowledge, understanding, and

1 professional competence to perform [~~windstorm~~] inspections for the  
2 issuance of a certificate of compliance under Section 2210.2515(d)  
3 and to comply with other requirements of this chapter.

4 SECTION 22. Section 2210.258, Insurance Code, is amended by  
5 adding Subsection (a-1) to read as follows:

6 (a-1) This section applies only to windstorm and hail  
7 insurance.

8 SECTION 23. Section 2210.3511(a), Insurance Code, is  
9 amended to read as follows:

10 (a) The association shall make the association's rate  
11 adequacy analysis publicly available on its Internet website for at  
12 least 14 days before the date the board of directors votes on the  
13 submission of a proposed rate filing based on the analysis to the  
14 department. The rate adequacy analysis must include:

15 (1) all user selected hurricane, tornado, or wildfire  
16 model input assumptions; and

17 (2) output data:

18 (A) with the same content and in the same format  
19 that is customarily provided to:

20 (i) the association by hurricane modelers;

21 and

22 (ii) the department by the association; and

23 (B) in a searchable electronic format that allows  
24 for efficient analysis and is sufficiently detailed to allow the  
25 historical experience in this state to be compared to results  
26 produced by the model.

27 SECTION 24. Section 2210.355(g), Insurance Code, is amended

1 to read as follows:

2 (g) A commission paid to an agent for a windstorm and hail  
3 insurance policy, tornado insurance policy, or wildfire insurance  
4 policy issued by the association must comply with the commission  
5 structure approved by the commissioner under Section 2210.203(d)  
6 and be reasonable, adequate, not unfairly discriminatory, and  
7 nonconfiscatory.

8 SECTION 25. Section 2210.359(a), Insurance Code, is amended  
9 to read as follows:

10 (a) Except as otherwise provided by this subsection, a rate  
11 approved by the commissioner under this subchapter may not reflect  
12 an average rate change that is more than 10 percent higher or lower  
13 than the rate for commercial windstorm and hail insurance,  
14 commercial tornado insurance, or commercial wildfire insurance or  
15 10 percent higher or lower than the rate for noncommercial  
16 windstorm and hail insurance, noncommercial tornado insurance, or  
17 noncommercial wildfire insurance in effect on the date the filing  
18 is made. The rate may not reflect a rate change for an individual  
19 rating class that is 15 percent higher or lower than the rate for  
20 that individual rating class in effect on the date the filing is  
21 made. This subsection does not apply to a rate filed under Sections  
22 2210.351(a)-(d).

23 SECTION 26. Section 2210.455(b), Insurance Code, is amended  
24 to read as follows:

25 (b) The catastrophe plan must:

26 (1) describe the manner in which the association will,  
27 during the period covered by the plan, evaluate losses and process

1 claims after the following windstorms affecting an area of maximum  
2 exposure to the association:

3 (A) a windstorm with a four percent chance of  
4 occurring during the period covered by the plan;

5 (B) a windstorm with a two percent chance of  
6 occurring during the period covered by the plan; and

7 (C) a windstorm with a one percent chance of  
8 occurring during the period covered by the plan; ~~and~~

9 (2) include, if the association does not purchase  
10 reinsurance under Section 2210.453 for the period covered by the  
11 plan, an actuarial plan for paying losses in the event of a  
12 catastrophe with estimated damages of \$2.5 billion or more; and

13 (3) describe the manner in which the association will,  
14 during the period covered by the plan, evaluate losses and process  
15 claims after tornadoes or wildfires affecting an area of maximum  
16 exposure to the association.

17 SECTION 27. Section 2210.501(a), Insurance Code, is amended  
18 to read as follows:

19 (a) The board of directors shall propose the maximum  
20 liability limits under a windstorm and hail insurance policy,  
21 tornado insurance policy, and wildfire insurance policy issued by  
22 the association under this chapter. The maximum liability limits  
23 are considered approved by the commissioner unless the commissioner  
24 disapproves or modifies the liability limits by order issued not  
25 later than the 30th day after the date of receipt of a filing under  
26 Section 2210.503.

27 SECTION 28. Section 2210.502(b), Insurance Code, is amended



1 to read as follows:

2 (b) An adjustment to the maximum liability limits that is  
3 approved by the commissioner applies to each windstorm and hail  
4 insurance policy, tornado insurance policy, and wildfire insurance  
5 policy delivered, issued for delivery, or renewed on or after  
6 January 1 of the year following the date of the approval. The  
7 indexing of the limits shall adjust for changes occurring on and  
8 after January 1, 1997.

9 SECTION 29. Section 2210.505(a), Insurance Code, is amended  
10 to read as follows:

11 (a) Notwithstanding any other law, the association may  
12 issue a windstorm and hail insurance policy, tornado insurance  
13 policy, or wildfire insurance policy that includes coverage for an  
14 amount in excess of a maximum liability limit established under  
15 Sections 2210.501-2210.504 if the association first obtains from a  
16 reinsurer approved by the commissioner reinsurance for the full  
17 amount of policy exposure above that limit.

18 SECTION 30. Section 2210.571(1), Insurance Code, is amended  
19 to read as follows:

20 (1) "Association policy" means a windstorm and hail  
21 insurance policy, tornado insurance policy, or wildfire insurance  
22 policy issued by the association.

23 SECTION 31. Section 2210.5732(a), Insurance Code, is  
24 amended to read as follows:

25 (a) The association is authorized to provide for  
26 supplemental payments under a windstorm and hail insurance policy,  
27 tornado insurance policy, and wildfire insurance policy issued by

1 the association.

2 SECTION 32. Section 2210.601, Insurance Code, is amended to  
3 read as follows:

4 Sec. 2210.601. PURPOSE. The legislature finds that  
5 authorizing the issuance of public securities to provide a method  
6 to raise funds to provide [~~windstorm and hail insurance~~] through  
7 the association windstorm and hail insurance in certain designated  
8 portions of the state and tornado insurance and wildfire insurance  
9 statewide is for the benefit of the public and in furtherance of a  
10 public purpose.

11 SECTION 33. Section 2210.6132(c), Insurance Code, is  
12 amended to read as follows:

13 (c) The premium surcharge under this section shall be  
14 assessed on all policyholders of policies that cover insured  
15 property that is located in a catastrophe area, including  
16 automobiles principally garaged in a catastrophe area. The premium  
17 surcharge shall be assessed on each Texas windstorm and hail  
18 insurance policy, each tornado insurance policy, and each wildfire  
19 insurance policy issued by the association and each property and  
20 casualty policy, including an automobile insurance policy, issued  
21 for automobiles and other property located in the catastrophe area.  
22 A premium surcharge under Subsection (b) applies to:

23 (1) all policies written under the following lines of  
24 insurance:

- 25 (A) fire and allied lines;  
26 (B) farm and ranch owners;  
27 (C) residential property insurance;

1 (D) private passenger automobile liability and  
2 physical damage insurance; and

3 (E) commercial automobile liability and physical  
4 damage insurance; and

5 (2) the property insurance portion of a commercial  
6 multiple peril insurance policy.

7 SECTION 34. Section 2210.652, Insurance Code, is amended to  
8 read as follows:

9 Sec. 2210.652. COMPOSITION OF BOARD. The [~~windstorm~~  
10 ~~insurance legislative oversight~~] board is composed of eight members  
11 as follows:

12 (1) four members of the senate appointed by the  
13 lieutenant governor, including the chairperson of the Senate  
14 Business and Commerce Committee, who shall serve as co-chairperson  
15 of the board; and

16 (2) four members of the house of representatives  
17 appointed by the speaker of the house of representatives.

18 SECTION 35. Section 2210.653(a), Insurance Code, is amended  
19 to read as follows:

20 (a) The board shall:

21 (1) receive information about rules proposed by the  
22 department relating to windstorm and hail insurance, tornado  
23 insurance, and wildfire insurance, and may submit comments to the  
24 commissioner on the proposed rules;

25 (2) monitor windstorm and hail insurance, tornado  
26 insurance, and wildfire insurance in this state, including:

27 (A) the adequacy of rates;

- 1 (B) the operation of the association; and  
2 (C) the availability of coverage; and  
3 (3) review recommendations for legislation proposed  
4 by the department or the association.

5 SECTION 36. Section 2210.654(b), Insurance Code, is amended  
6 to read as follows:

7 (b) The report must include:

- 8 (1) an analysis of any problems identified; and  
9 (2) recommendations for any legislative action  
10 necessary to address those problems and to foster stability,  
11 availability, and competition within the windstorm and hail  
12 insurance, tornado insurance, and wildfire insurance industries  
13 [~~industry~~].

14 SECTION 37. (a) The plan of operation adopted under  
15 Chapter 2210, Insurance Code, as amended by this Act, must provide  
16 that the Texas Windstorm Insurance Association issue tornado  
17 insurance policies and wildfire insurance policies under that  
18 chapter not later than January 1, 2022.

19 (b) The commissioner of insurance shall adopt rules  
20 necessary to ensure that the Texas Windstorm Insurance Association  
21 issue insurance policies under Chapter 2210, Insurance Code, as  
22 amended by this Act, not later than January 1, 2022.

23 SECTION 38. This Act takes effect September 1, 2021.