

Amend CSHB 2960 (Senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Subsection (b), Section 2210.002, Insurance Code (page 1, lines 23-24), between "are reviewed." and "This subsection", insert the following:

The association shall pay the costs incurred by the Sunset Advisory Commission in performing the review of the association under this subsection. The Sunset Advisory Commission shall determine the costs of the review performed under this subsection, and the association shall pay the amount of those costs promptly on receipt of a statement from the Sunset Advisory Commission regarding those costs.

(2) In SECTION 1A of the bill, in amended Section 2210.001, Insurance Code (page 1, lines 27-30), strike "An adequate market for windstorm and[,] hail[, and fire] insurance in the seacoast territory is necessary to the economic welfare of this state, and without that insurance," and substitute "The primary purpose of the Texas Windstorm Insurance Association is the provision of an [An] adequate market for windstorm and[,] hail[, and fire] insurance in the seacoast territory of this state. The legislature finds that the provision of adequate windstorm and hail insurance is necessary to the economic welfare of this state, and without that insurance,".

(3) In SECTION 9 of the bill, in added Subsection (b), Section 2210.058, Insurance Code (page 3, lines 66-67), strike "require each member of the association" and substitute "require the association, each member of the association,".

(4) In SECTION 9 of the bill, at the end of added Subsection (b), Section 2210.058, Insurance Code (page 4, line 7), after "fund.", insert the following:

A premium surcharge under this subsection is a separate charge in addition to the premiums collected and is not subject to premium tax or commissions.

(5) In SECTION 9 of the bill, in added Subsection (d), Section 2210.058, Insurance Code (page 4, lines 28-29), strike "issued by the association in accordance with Subchapter M" and substitute "authorized to be issued in accordance with Subchapter M".

(6) In SECTION 9 of the bill, in added Subsection (f), Section 2210.058, Insurance Code (page 4, line 48), strike "issued by the association in accordance with Subchapter M" and substitute "authorized to be issued in accordance with Subchapter M".

(7) In SECTION 9 of the bill, strike added Subsection (g), Section 2210.058, Insurance Code (page 4, lines 51-53), and substitute the following:

(g) Notwithstanding any other provision of this section, the association may pay losses in excess of premium and other revenue of the association with reinsurance proceeds from reinsurance purchased by the association as authorized under Section 2210.453.

(8) In SECTION 9 of the bill, in added Subsection (h), Section 2210.058, Insurance Code (page 4, lines 55-56), strike "(c), (e), and (g)" and substitute "(c) and (e)".

(9) In SECTION 12 of the bill, strike added Subsection (c), Section 2210.102, Insurance Code (page 5, lines 34-44), and substitute the following:

(c) Three members must be[, elected by the members as provided by the plan of operation;

[(2) two] public representatives:

(1) at least one of whom [who are nominated by the office of public insurance counsel and who], as of the date of the appointment, resides[:

[(A) reside] in or owns property in a first tier coastal county [a catastrophe area;] and is a policyholder

[(B) are policyholders] of the association; and

(2) at least one of whom, as of the date of the appointment, does not reside in or own property in the seacoast territory.

(10) In SECTION 12 of the bill, in added Subsection (d), Section 2210.102, Insurance Code (page 5, lines 47-51), strike "One of the agents, as of the date of the appointment, must maintain the agent's principal office in a first tier coastal county. The second agent, as of the date of the appointment, may not maintain the agent's principal office in the seacoast territory." and substitute "Each of the agents, as of the date of the appointment, must

maintain the agent's principal office in a first tier coastal county."

(11) In SECTION 12 of the bill, in amended Section 2210.102, Insurance Code (page 5, between lines 57 and 58), insert the following:

(f) The commissioner shall appoint one person to serve as a nonvoting member of the board to advise the board regarding issues relating to the inspection process. The commissioner may give preference in an appointment under this subsection to a person who is a qualified inspector under Section 2210.254. The nonvoting member appointed under this section must:

(1) be an engineer licensed by, and in good standing with, the Texas Board of Professional Engineers;

(2) reside in a first tier coastal county; and

(3) be knowledgeable of, and have professional expertise in, wind-related design and construction practices in coastal areas that are subject to high winds and hurricanes.

(12) In SECTION 13 of the bill, in added Subsection (c), Section 2210.103, Insurance Code (page 5, line 62), between "(c)" and "The commissioner", insert "A member of the board of directors may be removed by the commissioner without cause."

(13) In SECTION 22 of the bill, strike amended Subsection (b), Section 2210.251, Insurance Code (page 8, lines 1-9), and substitute the following:

(b) After January 1, 2004, for geographic areas specified by the commissioner, the commissioner by rule shall adopt the 2003 International Residential Code for one- and two-family dwellings published by the International Code Council. For those geographic areas, the commissioner by rule may adopt a subsequent edition of that code and may adopt any supplements published by the International Code Council and amendments to that code.

(14) Strike SECTION 23 of the bill (page 9, lines 7-22).

(15) In the recital to SECTION 24 of the bill, (page 9, lines 23-24), strike "Sections 2210.254(a) and (b)" and substitute "Sections 2210.254(a), (c), and (d)".

(16) In SECTION 24 of the bill, strike amended Subsection (b), Section 2210.254, Insurance Code (page 9, lines 43-45).

(17) In SECTION 24 of the bill, in amended Section 2210.254, Insurance Code (page 9, between lines 45 and 46), insert the following:

(c) Before performing building inspections, a qualified inspector must be approved and appointed or employed by the association [department].

(d) The association [department] may charge a reasonable fee for the filing of applications by and determining the qualifications of persons for appointment as qualified inspectors.

(18) Between SECTION 25 and SECTION 26 of the bill (page 9, between lines 59 and 60), insert the following new appropriately numbered SECTION:

SECTION __. Subchapter F, Chapter 2210, Insurance Code, is amended by adding Section 2210.2565 to read as follows:

Sec. 2210.2565. PROCEDURES REGARDING APPOINTMENT OF INSPECTORS. The association shall develop procedures for the appointment and oversight of qualified inspectors appointed under Sections 2210.254 and 2210.255, including procedures relating to the suspension and revocation of an appointment made by the association.

(19) In SECTION 26 of the bill, in added Subdivision (1), Subsection (a), Section 2210.259, Insurance Code (page 10, line 16), strike "school district or public, or not-for-profit, postsecondary" and substitute "school district, or public or not-for-profit postsecondary".

(20) In SECTION 30 of the bill, in added Subsection (i), Section 2210.355, Insurance Code (page 11, line 31), strike "Catastrophe models, including hurricane models," and substitute "Computer simulation models, including models used to estimate hurricane losses,".

(21) In SECTION 31 of the bill, in amended Subsection (a), Section 2210.452, Insurance Code, strike page 11, lines 39-45, and substitute "fund[:

[(1)] the obligations of the trust fund under Section 2210.058 [2210.058(a); and

[(2)] the mitigation and preparedness plan established under Section 2210.454 to reduce the potential for payments by

association members that give rise to tax credits in the event of loss]."

(22) In SECTION 32 of the bill, in amended Subsection (b), Section 2210.453, Insurance Code, strike page 11, lines 64-65, and substitute "with the trust fund, public securities, and assessments authorized by this chapter. The association may purchase reinsurance in lieu of, or in addition to, using".

(23) Between SECTION 32 and SECTION 33 of the bill (page 12, between lines 1 and 2), insert the following new SECTION:

SECTION __. Section 2210.454(b), Insurance Code, is amended to read as follows:

(b) Each state fiscal year, the department may fund the mitigation and preparedness plan using available funds [the investment income of the trust fund in an amount not less than \$1 million and not more than 10 percent of the investment income of the prior fiscal year. From that amount and as part of that plan, the department may use in each fiscal year \$1 million for the windstorm inspection program established under Section 2210.251].

(24) In SECTION 33 of the bill, in added Subsection (a), Section 2210.609, Insurance Code (page 13, line 57), strike "by the association from", and substitute "by the association".

(25) In SECTION 33 of the bill, in added Section 2210.618, Insurance Code (page 16, line 14), between "association," and "association employees," insert "members of the association board of directors,".

(26) In SECTION 37 of the bill, strike page 17, lines 7-9, and substitute:

- (2) Section 2210.059, Insurance Code;
- (3) Section 2210.256, Insurance Code;
- (4) Section 2210.356, Insurance Code; and
- (5) Subchapters G and I, Chapter 2210, Insurance Code.

(27) In Subsection (a) of SECTION 38 of the bill (page 17, lines 13-14), strike "is abolished on the 30th day after the effective date of this Act." and substitute "is abolished effective December 31, 2007."

(28) In Subsection (b) of SECTION 38 of the bill (page 17, lines 18-19), strike "not later than the 31st day after the

effective date of this Act." and substitute "not later than December 31, 2007."

(29) In Subsection (c) of SECTION 38 of the bill (page 17, lines 23-24), strike "on the 30th day after the effective date of this Act." and substitute "on December 31, 2007."

(30) Strike SECTION 39 of the bill (page 17, lines 28-30) and substitute the following:

SECTION 39. (a) The commissioner of insurance shall adopt rules as required by Sections 2210.452, 2210.612, and 2210.613, Insurance Code, as amended by this Act, not later than the 180th day after the effective date of this Act.

(b) The Texas Windstorm Insurance Association, through the board of directors of that association, shall propose to the commissioner of insurance amendments to the association's plan of operation as required by Chapter 2210, Insurance Code, as amended by this Act, not later than the 180th day after the effective date of this Act.

(31) In SECTION 41 of the bill, strike page 17, lines 38-44, and substitute the following:

Except as otherwise specifically provided by that section, a structure that has been inspected and is the subject of a certificate of compliance issued by the Texas Department of Insurance under Section 2210.251(f), Insurance Code, as that section existed immediately before the effective date of this Act, is not required to obtain an inspection certificate from the Texas Windstorm Insurance Association to remain eligible for insurance coverage through that association unless the structure is altered, remodeled, enlarged, or repaired after the effective date of Section 2210.251, as amended by this Act.

(32) Strike SECTION 43 of the bill (page 17, lines 55-59) and substitute the following:

SECTION 43. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

(b) The changes in law made by this Act to Sections 2210.251, 2210.252, 2210.254, and 2210.255, Insurance Code, as amended by this Act, and Section 2210.2565, Insurance Code, as added by this Act, take effect September 1, 2008.

(33) Renumber SECTIONS of the bill appropriately.