

By: Jackson, Mike

S.B. No. 734

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the board of directors of the Texas Windstorm Insurance
3 Association.

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

5 SECTION 1. Section 2210.102, Insurance Code, is amended by
6 amending Subsection (a) and adding Subsections (c) and (d) to read
7 as follows:

8 (a) The board of directors is composed of the following 11
9 [~~nine~~] members appointed by the commissioner:

10 (1) five members who represent the interests of
11 [~~representatives of different~~] insurers who are members of the
12 association[~~, elected by the members as provided by the plan of~~
13 ~~operation~~];

14 (2) four public members [~~two public representatives~~]
15 who are nominated by the office of public insurance counsel and who,
16 as of the date of the appointment:

17 (A) reside in a catastrophe area; and

18 (B) are policyholders of the association; and

19 (3) two members who are property and casualty agents,
20 each of whom must:

21 (A) have demonstrated experience in the
22 association;

23 (B) maintain the agent's principal office, as of
24 the date of the appointment, in a catastrophe area; and

1 (C) hold a license under Chapter 4051 as a
2 general property and casualty agent [~~or a personal lines property~~
3 ~~and casualty agent~~].

4 (c) To be eligible to serve on the board of directors as a
5 representative of insurers, a person must be a full-time employee
6 of an authorized insurer that is a member of the association.

7 (d) The commissioner or an employee of the department
8 designated by the commissioner serves as an ex officio member of the
9 board of directors.

10 SECTION 2. Section 2210.103, Insurance Code, is amended by
11 amending Subsection (a) and adding Subsection (c) to read as
12 follows:

13 (a) Members of the board of directors serve three-year
14 staggered terms, with the terms of three or four members expiring on
15 the third Tuesday of March of each year.

16 (c) A member of the board of directors serves at the
17 pleasure of the commissioner. The commissioner shall appoint a
18 replacement for a member who leaves or is removed from the board of
19 directors in the manner provided by Section 2210.102.

20 SECTION 3. (a) The board of directors of the Texas
21 Windstorm Insurance Association established under Section
22 2210.102, Insurance Code, as that section existed before amendment
23 by this Act, is abolished on the 30th day after the effective date
24 of this Act.

25 (b) The commissioner of insurance shall appoint the members
26 of the board of directors of the Texas Windstorm Insurance
27 Association under Section 2210.102, Insurance Code, as amended by

1 this Act, for terms beginning on the 31st day after the effective
2 date of this Act.

3 (c) The term of a person who is serving as a member of the
4 board of directors of the Texas Windstorm Insurance Association
5 immediately before the abolition of that board under Subsection (a)
6 of this section expires on the 30th day after the effective date of
7 this Act. Such a person is eligible for appointment by the
8 commissioner of insurance to the new board of directors of the Texas
9 Windstorm Insurance Association under Section 2210.102, Insurance
10 Code, as amended by this Act.

11 SECTION 4. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2009.