

By: Legler

H.J.R. No. 26

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the use of the
2 assets of certain associations established by the legislature of
3 this state for the purpose of providing certain insurance coverage.

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

5 SECTION 1. Article XVI, Texas Constitution, is amended by
6 adding Section 75 to read as follows:

7 Sec. 75. (a) In this section, "association" means an
8 association established by the legislature of this state for the
9 purpose of providing adequate windstorm, hail, and fire insurance
10 in designated portions of this state. The term includes the Texas
11 Windstorm Insurance Association established under Chapter 2210,
12 Insurance Code, or any successor association to that association.

13 (b) Except as provided by this section, the legislature may
14 not enact a law appropriating or diverting any part of the assets of
15 an association to any purpose other than to:

16 (1) satisfy, wholly or partly, the liability of the
17 association on claims made on policies written by the association;

18 (2) make investments authorized under applicable law;

19 (3) pay reasonable and necessary administrative
20 expenses incurred in connection with the operation of the
21 association and the processing of claims against the association;

22 or

23 (4) make remittance under the laws of this state to be
24 used by this state to:

1 (A) pay claims made on policies written by the
2 association;

3 (B) purchase reinsurance covering losses under
4 those policies; or

5 (C) prepare for or mitigate the effects of
6 catastrophic natural events.

7 (c) On dissolution of an association, all assets of the
8 association revert to this state.

9 SECTION 2. This proposed constitutional amendment shall be
10 submitted to the voters at an election to be held November 8, 2011.
11 The ballot shall be printed to permit voting for or against the
12 proposition: "The constitutional amendment relating to the use of
13 the assets of certain associations established by the legislature
14 of this state for the purpose of providing certain insurance
15 coverage."