

By: Hunter

H.B. No. 2351

A BILL TO BE ENTITLED

AN ACT

relating to the composition of the board of directors of the Texas
Windstorm Insurance Association.

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

SECTION 1. Section 2210.102, Insurance Code, is amended to
read as follows:

Sec. 2210.102. COMPOSITION. (a) The board of directors is
composed of 11 [~~nine~~] members appointed by the governor
[~~commissioner~~] in accordance with this section.

(b) Three [~~Four~~] members must be representatives of the
insurance industry who actively write and renew windstorm and hail
insurance in the seacoast territory.

(c) Six [~~Four~~] members must, as of the date of the
appointment, reside in the first tier coastal counties. Of the six
members appointed under this subsection:

(1) two [~~At least one of the members appointed under
this subsection~~] must be [~~a~~] property and casualty agents [~~agent~~]
who are [~~is~~] licensed under this code and are [~~is~~] not [~~a~~] captive
agents;

(2) one must be a representative of the construction
industry;

(3) one must be a coastal engineer; and

(4) two must be policyholders of the association and
not agents [~~agent~~].

1 (d) One member must be a representative of an area of this
2 state that is not located in the seacoast territory with
3 demonstrated expertise in insurance and actuarial principles.

4 (d-1) One member must be a representative of the financial
5 industry.

6 (e) All members must have demonstrated experience in
7 insurance, general business, ~~[or]~~ actuarial principles, finance,
8 engineering, or construction sufficient to make the success of the
9 association probable.

10 (f) Insurers who are members of the association shall
11 nominate, from among those members, persons to fill any vacancy in
12 the three ~~[four]~~ board of director seats reserved for
13 representatives of the insurance industry. The board of directors
14 shall solicit nominations from the members and submit the
15 nominations to the governor ~~[commissioner]~~. The nominee slate
16 submitted to the governor ~~[commissioner]~~ under this subsection must
17 include at least three more names than the number of
18 vacancies. The governor ~~[commissioner]~~ shall appoint replacement
19 insurance industry representatives from the nominee slate.

20 (g) The governor ~~[commissioner]~~ shall appoint three persons
21 ~~[one person]~~ to serve as ~~[a]~~ nonvoting members ~~[member]~~ of the
22 board, each of whom must, as of the date of the appointment, be a
23 public official of a first tier coastal county, with each of the
24 following regions represented by one nonvoting member:

25 (1) the region consisting of Cameron, Kenedy, Kleberg,
26 and Willacy Counties;

27 (2) the region consisting of Aransas, Calhoun, Nueces,

1 Refugio, and San Patricio Counties; and

2 (3) the region consisting of Brazoria, Chambers,
3 Galveston, Jefferson, and Matagorda Counties [~~to advise the board~~
4 ~~regarding issues relating to the inspection process. The~~
5 ~~commissioner may give preference in an appointment under this~~
6 ~~subsection to a person who is a qualified inspector under Section~~
7 ~~2210.254. The nonvoting member appointed under this section must:~~

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

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

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

14 (h) The persons appointed under Subsection (c) must be from
15 different counties with each of the regions listed in Subsection
16 (g) represented by at least one person.

17 SECTION 2. (a) The board of directors of the Texas
18 Windstorm Insurance Association established under Section
19 2210.102, Insurance Code, as that section existed before amendment
20 by this Act, is abolished effective December 31, 2013.

21 (b) The governor shall appoint the members of the board of
22 directors of the Texas Windstorm Insurance Association under
23 Section 2210.102, Insurance Code, as amended by this Act, not later
24 than December 31, 2013.

25 (c) The term of a person who is serving as a member of the
26 board of directors of the Texas Windstorm Insurance Association
27 immediately before the abolition of that board under Subsection (a)

H.B. No. 2351

1 of this section expires on December 31, 2013. Such a person is
2 eligible for appointment by the governor to the new board of
3 directors of the Texas Windstorm Insurance Association, subject to
4 the requirements of Section 2210.102, Insurance Code, as amended by
5 this Act.

6 SECTION 3. This Act takes effect September 1, 2013.