

By: Bonnen of Brazoria

H.B. No. 3011

A BILL TO BE ENTITLED

AN ACT

relating to the use of assets of the Texas Windstorm Insurance Association.

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

SECTION 1. Sec. 2210.452. ESTABLISHMENT AND USE OF TRUST FUND. (a) The commissioner shall adopt rules under which the association makes payments to the catastrophe reserve trust fund. The trust fund may be used only to fund the obligations of the trust fund under Subchapter B-1.

(b) All money, including investment income, deposited in the trust fund constitutes state funds until disbursed as provided by this chapter and commissioner rules. The comptroller shall hold the money outside the state treasury on behalf of, and with legal title in, the department. The department shall keep and maintain the trust fund in accordance with this chapter and commissioner rules. The comptroller, as custodian of the trust fund, shall administer the trust fund strictly and solely as provided by this chapter and commissioner rules.

(c) At the end of each calendar year ~~or policy year~~, the association shall use the calendar year net gain from operations of the association, including all premium and other revenue of the association in excess of ~~incurred~~ losses, including loss adjustment expenses, operating expenses, public security obligations, and public security administrative expenses incurred in that calendar

1 year, to make payments to the trust fund, to procure reinsurance, or  
2 to make payments to the trust fund and to procure reinsurance.

3 (d) The commissioner by rule shall establish the procedure  
4 relating to the disbursement of money from the trust fund to  
5 policyholders in the event of an occurrence or series of  
6 occurrences within a catastrophe area that results in a  
7 disbursement under Subchapter B-1.

8 (e) The trust fund may be terminated only by law. On  
9 termination of the trust fund, all assets of the trust fund revert  
10 to the state to provide funding for the mitigation and preparedness  
11 plan established under Section 2210.454.

12 SECTION 2. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2013.