

By: Taylor

S.B. No. 1700

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the operation of the Texas Windstorm Insurance
3 Association and the FAIR Plan Association.

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

5 SECTION 1. SECTION 1. Section 2210.001, Insurance Code, is
6 amended to read as follows:

7 The primary purpose of the Texas Insurance Plan [~~Texas~~
8 ~~Windstorm Insurance Association~~] is the provision of an adequate
9 market for windstorm and hail insurance in the seacoast territory
10 of this state. The legislature finds the provision of adequate
11 windstorm and hail insurance is necessary to the economic welfare
12 of this state, and without that insurance, the orderly growth and
13 development of this state would be severely impeded. This chapter
14 provides a method by which adequate windstorm and hail insurance
15 may be obtained in certain designated portions of the seacoast
16 territory of this state. The association is intended to serve as a
17 residual insurer of last resort for windstorm and hail insurance in
18 the seacoast territory. The association shall:

19 (1) Function in such a manner as to not be a direct
20 competitor in the private market; and

21 (2) provide windstorm and hail insurance coverage to those
22 who are unable to obtain that coverage in the private market.

23 SECTION 2. Section 2210.003, Insurance Code, is amended by
24 amending Subdivision (1) and adding Subdivision (1-a) to read as

1 follows:

2 (1) "Association" means the Texas Insurance Plan [~~Texas~~
3 ~~Windstorm Insurance Association~~].

4 (1-a) "Administrator" means the person contractually
5 retained to administer the association and the plan of operation
6 under Sections 2210.062 and 2211.0522.

7 SECTION 3. Section 2210.014, Insurance Code, is amended by
8 amending Subsection (b) and adding Subsection (c) to read as
9 follows:

10 (b) Chapter 542 does not apply to the processing and
11 settlement of claims by the association or to an agent or
12 representative of the association.

13 (c) Under this section, insurers acting to administer
14 association claims, and the administrator contracted under
15 Sections 2210.062 and 2211.0522, are agents of the association.

16 SECTION 4. Subchapter B, Chapter 2210, Insurance Code, is
17 amended by adding Sections 2210.062, 2210.063, 2210.064, 2210.065,
18 2210.066, and 2210.067 to read as follows:

19 Sec. 2210.062. ADMINISTRATION BY CONTRACTED ADMINISTRATOR.

20 (a) Notwithstanding any other law, the commissioner shall contract
21 with an administrator to manage the association and administer the
22 plan of operation not later than January 1, 2014.

23 (b) the administrator must hold either, or both, a managing
24 general agent license or a third party administrator certificate
25 of authority issued under this code.

26 (c) The term of the administrator contract may not exceed
27 five years. The contract may be renewed for additional terms, of

1 not more than five years for each term.

2 Sec. 2210.063. COMPENSATION OF ADMINISTRATOR. (a) The
3 contract between the commissioner and the administrator must
4 specify the administrator's compensation. The compensation must be
5 based in part on reasonable projections of the cost to administer
6 the association.

7 (b) The administrator's compensation will be paid by the
8 association.

9 Sec. 2210.064. PROPRIETARY INFORMATION. Any information,
10 analyses, programs, or data acquired or created by the
11 administrator under a contract under this subchapter are property
12 of the association.

13 Sec. 2210.065. OFFICE; RECORDS. (a) The administrator
14 shall maintain an office in Austin, Texas.

15 Sec. 2210.066. AUDIT. The administrator is subject to
16 audit by the commissioner and shall pay the costs incurred by the
17 commissioner in performing an audit under this section.

18 Sec. 2210.067. ANNUAL REPORT TO COMMISSIONER. Not later
19 than March 1 of each year, the administrator shall submit a report
20 to the commissioner regarding the operation of the association.
21 The report must be made in accordance with the terms of the
22 administrator's contract with the department.

23 SECTION 5. Section 2210.071, Insurance Code, is amended to
24 read as follows:

25 [~~(a)~~] If, in a catastrophe year, an occurrence or series of
26 occurrences in a catastrophe area results in insured losses and
27 operating expenses of the association in excess of premium and

1 other revenue of the association, the excess losses and operating
2 expenses shall be paid as provided by this subchapter.

3 ~~[(b) The association shall pay losses in excess of premium
4 and other revenue of the association from available reserves of the
5 association and available amounts in the catastrophe reserve trust
6 fund.~~

7 ~~[(c) Losses not paid under Subsection (b) shall be paid from
8 the proceeds from public securities issued in accordance with this
9 subchapter and Subchapter M and, notwithstanding Subsection (a),
10 may be paid from the proceeds of public securities issued under
11 Section 2210.072(a) before an occurrence or series of occurrences
12 that results in insured losses].~~

13 SECTION 6. Section 2210.072, Insurance Code, is amended to
14 read as follows:

15 Sec. 2210.072. PAYMENT FROM CLASS 1 FUNDS ~~[PUBLIC~~
16 ~~SECURITIES, FINANCIAL INSTRUMENTS]~~. (a) The association shall pay
17 losses in excess of premium and other revenue of the association
18 from available amounts in the catastrophe reserve trust fund and
19 member assessments as provided by this section.

20 (b) The catastrophe reserve trust fund shall fund losses
21 under this section in an amount not to exceed \$1 billion.

22 (c) Following the use of the catastrophe reserve trust fund,
23 the association may assess its members in an amount not to exceed
24 the lesser of:

25 (1) \$800 million; or

26 (2) \$1 billion less the amount of catastrophe reserve
27 trust funds used under Subsection (b).

1 (d) The total combined amount of catastrophe reserve trust
2 funds and member assessments used to pay claims under this section
3 may not exceed \$1 billion.

4 (e) The association shall notify each member of the
5 association of the amount of the member's assessment under this
6 section. The proportion of the losses allocable to each insurer
7 under this section shall be determined in the manner used to
8 determine each insurer's participation in the association for the
9 year under Section 2210.052.

10 ~~[Losses not paid under Section 2210.071(b) shall be paid as~~
11 ~~provided by this section from the proceeds from Class 1 public~~
12 ~~securities authorized to be issued in accordance with Subchapter M~~
13 ~~before, on, or after the date of any occurrence or series of~~
14 ~~occurrences that results in insured losses. Public securities~~
15 ~~issued under this section must be repaid within a period not to~~
16 ~~exceed 14 years, and may be repaid sooner if the board of directors~~
17 ~~elects to do so and the commissioner approves.~~

18 ~~[(b) Public securities described by Subsection (a) that are~~
19 ~~issued before an occurrence or series of occurrences that results~~
20 ~~in incurred losses:~~

21 ~~[(1) may be issued on the request of the board of~~
22 ~~directors with the approval of the commissioner, and~~

23 ~~[(2) may not, in the aggregate, exceed \$1 billion at~~
24 ~~any one time, regardless of the calendar year or years in which the~~
25 ~~outstanding public securities were issued.~~

26 ~~[(b-1) Public securities described by Subsection (a):~~

27 ~~[(1) shall be issued as necessary in a principal~~

1 ~~amount not to exceed \$1 billion per catastrophe year, in the~~
2 ~~aggregate, for securities issued during that catastrophe year~~
3 ~~before the occurrence or series of occurrences that results in~~
4 ~~incurred losses in that year and securities issued on or after the~~
5 ~~date of that occurrence or series of occurrences, and regardless of~~
6 ~~whether for a single occurrence or a series of occurrences; and~~

7 ~~[(2) subject to the \$1 billion maximum described by~~
8 ~~Subdivision (1), may be issued, in one or more issuances or~~
9 ~~tranches, during the calendar year in which the occurrence or~~
10 ~~series of occurrences occurs or, if the public securities cannot~~
11 ~~reasonably be issued in that year, during the following calendar~~
12 ~~year.~~

13 ~~[(c) If public securities are issued as described by this~~
14 ~~section, the public securities shall be repaid in the manner~~
15 ~~prescribed by Subchapter M from association premium revenue.~~

16 ~~[(d) The association may borrow from, or enter into other~~
17 ~~financing arrangements with, any market source, under which the~~
18 ~~market source makes interest-bearing loans or other financial~~
19 ~~instruments to the association to enable the association to pay~~
20 ~~losses under this section or to obtain public securities under this~~
21 ~~section. For purposes of this subsection, financial instruments~~
22 ~~includes commercial paper.~~

23 ~~[(e) The proceeds of any outstanding public securities~~
24 ~~described by Subsection (a) that are issued before an occurrence or~~
25 ~~series of occurrences shall be depleted before the proceeds of any~~
26 ~~securities issued after an occurrence or series of occurrences may~~
27 ~~be used. This subsection does not prohibit the association from~~

1 ~~issuing securities after an occurrence or series of occurrences~~
2 ~~before the proceeds of outstanding public securities issued during~~
3 ~~a previous catastrophe year have been depleted.~~

4 ~~[(f) If, under Subsection (e), the proceeds of any~~
5 ~~outstanding public securities issued during a previous catastrophe~~
6 ~~year must be depleted, those proceeds shall count against the \$1~~
7 ~~billion limit on public securities described by this section in the~~
8 ~~catastrophe year in which the proceeds must be depleted.~~

9 SECTION 7. Section 2210.074, Insurance Code, is amended to
10 read as follows:

11 Section 2210.074. PAYMENT THROUGH CLASS 3 FUNDS [~~PUBLIC~~
12 ~~SECURITIES~~]. (a) Losses not paid under Sections 2210.071,
13 2210.072, and 2210.073 shall be paid as provided by this section
14 from proceeds of member assessments as provided by this section.

15 (b) The amount of member assessments that may be made under
16 this section may not exceed \$800 million less the amount of
17 assessments made under Section 2210.072(c). [~~from public~~
18 ~~securities authorized to be issued in accordance with Subchapter M~~
19 ~~on or after the date of any occurrence that results in insured~~
20 ~~losses under this subsection or through reinsurance as described by~~
21 ~~Section 2210.075. Public securities issued under this section~~
22 ~~must be repaid within a period not to exceed 10 years, and may be~~
23 ~~repaid sooner if the board of directors elects to do so and the~~
24 ~~commissioner approves.~~

25 [~~(b) Public securities described by Subsection (a):~~

26 [~~(1) may be issued as necessary in a principal amount~~
27 ~~not to exceed \$500 million per catastrophe year, in the aggregate,~~

1 ~~whether for a single occurrence or a series of occurrences; and~~

2 ~~[(2) subject to the \$500 million maximum described by~~
3 ~~Subdivision (1), may be issued, in one or more issuances or~~
4 ~~tranches, during the calendar year in which the occurrence or~~
5 ~~series of occurrences occurs or, if the public securities cannot~~
6 ~~reasonably be issued in that year, during the following calendar~~
7 ~~year.~~

8 (c) ~~[If the losses are paid with public securities described~~
9 ~~by this section, the public securities shall be repaid in the manner~~
10 ~~prescribed by Subchapter M through member assessments as provided~~
11 ~~by this section.]~~ The association shall notify each member of the
12 association of the amount of the member's assessment under this
13 section. The proportion of the losses allocable to each insurer
14 under this section shall be determined in the manner used to
15 determine each insurer's participation in the association for the
16 year under Section 2210.052.

17 SECTION 8. Subchapter B-1, Chapter 2210, Insurance Code, is
18 amended by adding Section 2210.076 to read as follows:

19 Sec. 2210.076. PREMIUM TAX CREDIT. (a) The first \$300
20 million assessed to association members insurers under this
21 Subchapter during a catastrophe year shall be entitled to a premium
22 tax credit as provided in subsection (b).

23 (b) An insurer may credit an amount paid in accordance with
24 subsection (a) in a catastrophe year against the insurer's premium
25 tax under Chapter 221. The tax credit authorized under this
26 subsection shall be allowed at a rate not to exceed 20 percent per
27 year for five or more successive years following the year of payment

1 of the claims. The balance of payments made by the insurer and not
2 claimed as a premium tax credit may be reflected in the books and
3 records of the insurer as an admitted asset of the insurer for all
4 purposes, including exhibition in an annual statement under Section
5 862.001.

6 SECTION 9. Section 2210.452, Insurance Code, is amended by
7 amending Subsections (a), (c), and (d) and adding Subsection (e) to
8 read as follows:

9 (a) The commissioner shall adopt rules under which the
10 association makes payments to the catastrophe reserve trust
11 fund. The trust fund may be used only to fund the obligations of
12 the trust fund under Subchapter B-1, Section 2210.4522, and
13 purchase reinsurance under Section 2210.453.

14 (c) At the end of each calendar year or policy year, the
15 association shall use the net gain from operations of the
16 association, including all premium and other revenue of the
17 association in excess of incurred losses, operating expenses,
18 deposits to the trust fund under Section 2210.4521, and public
19 security obligations, and public security administrative expenses,
20 to make payments to the trust fund, to procure reinsurance, or to
21 make payments to the trust fund and to procure reinsurance.

22 (d) The commissioner by rule shall establish the procedure
23 relating to the disbursement of money from the trust fund to
24 policyholders and association administrative expenses in the event
25 of an occurrence or series of occurrences within a catastrophe area
26 that results in a disbursement under Subchapter B-1.

27 (e) The commissioner by rule shall establish the procedure

1 relating to the disbursement of money from the trust fund to pay for
2 operating expenses, including reinsurance, under Section 2210.453
3 if the association does not have sufficient premium and other
4 revenue.

5 SECTION 10. Subchapter J, Chapter 2210, Insurance Code, is
6 amended by adding Sections 2210.4521 and 2210.4522 to read as
7 follows:

8 Sec. 2210.4521. CATASTROPHE RESERVE TRUST FUND DEDICATION.

9 (a) Notwithstanding any other provision in this chapter, as
10 provided for in the plan of operation the association shall deposit
11 monthly in a trust fund an amount to accumulate on an annual
12 calendar year basis the greater of:

13 (1) \$200 million; or

14 (2) one half of the association's earned premium for
15 the current calendar year.

16 (b) The association shall deposit money collected under
17 this section with the Texas Treasury Safekeeping Trust Company to
18 be held outside the state treasury.

19 (c) Not later than February 1 of each year the association
20 shall direct the Texas Treasury Safekeeping Trust Company to
21 deposit all amounts deposited in the trust fund during the
22 preceding calendar year, and interest earned on those funds, into
23 the catastrophe reserve trust fund.

24 (d) Money deposited in the trust fund under this section is
25 irrevocably pledged to be distributed to the catastrophe reserve
26 trust fund as provided in this section and is exempt from any other
27 claim or attachment under law.

1 (e) Money deposited under this section may be invested by
2 the Texas Treasury Safekeeping Trust Company as permitted by
3 general law.

4 Sec. 2210.4522. CLASS 2 PUBLIC SECURITY ALLOCATION. (a) If
5 class 2 public securities are outstanding and payable, the
6 commissioner may authorize the transfer of any portion of the
7 amount of catastrophe reserve trust funds in excess of \$1 billion to
8 the premium surcharge trust fund established for the payment of
9 Class 2 public securities and public security administrative
10 expenses under Section 2210.613.

11 (b) The commissioner shall consider the transfer under this
12 section when determining the premium surcharge under Section
13 2210.613.

14 SECTION 11. Section 2210.453, Insurance Code, is amended by
15 amending Subsection (b) and adding subsection (b-1) to read as
16 follows:

17 (b) The association may purchase reinsurance that operates
18 in addition to [~~or in concert with the trust fund, public~~
19 ~~securities, financial instruments, and~~] assessments authorized by
20 Section 2210.074 [this chapter].

21 (b-1) The association may not purchase reinsurance that has
22 an attachment point preceding the member insurer's assessment
23 liabilities under Section 2210.074.

24 SECTION 12. Subchapter L-1, Chapter 2210, Insurance Code,
25 is amended by adding Section 2210.5725 to read as follows:

26 Sec. 2210.5725. ASSOCIATION CLAIMS PROCESSING. (a) An
27 insurer that has primary coverage on property for loss by fire must

1 adjust all claims made on or after June 1, 2013, on an association
2 policy covering the same property.

3 (b) An insurer acting under this section is an agent of the
4 association for purposes of Sections 2210.014 and 2210.572 and
5 shall process claims as prescribed by this chapter and the plan of
6 operation.

7 (c) An insurer acting under this section is not liable for
8 any amount payable under the terms of the association policy.

9 SECTION 13. Section 2210.602, Insurance Code, is amended by
10 amending Subdivisions (2), (3), (4), (5), (5-a), (6), (6-b), and
11 (6-c) to read as follows:

12 ~~(2) ["Class 1 public securities" means public~~
13 ~~securities authorized to be issued by Section 2210.072, including a~~
14 ~~commercial paper program authorized before the occurrence of a~~
15 ~~catastrophic event.]~~

16 ~~[(3)]~~ "Class 2 public securities" means public
17 securities authorized to be issued on or after the occurrence of a
18 catastrophic event by Section 2210.073.

19 ~~[(4) "Class 3 public securities" means public~~
20 ~~securities authorized to be issued on or after the occurrence of a~~
21 ~~catastrophic event by Section 2210.074.]~~

22 (3) ~~[(5)]~~ "Credit agreement" has the meaning assigned
23 by Chapter 1371, Government Code.

24 ~~[(5-a) "Cross premium" means association premium, less~~
25 ~~premium returned to policyholders for canceled or reduced~~
26 ~~policies.]~~

27 (4) ~~[(6)]~~ "Insurer" means each property and casualty

1 insurer authorized to engage in the business of property and
2 casualty insurance in this state and an affiliate of such an
3 insurer, as described by Section 823.003, including an affiliate
4 that is not authorized to engage in the business of property and
5 casualty insurance in this state. The term specifically includes a
6 county mutual insurance company, a Lloyd's plan, and a reciprocal
7 or interinsurance exchange.

8 (5) [~~(6-b)~~] "Member assessment trust fund" means the
9 dedicated trust fund established by the board and held by the Texas
10 Treasury Safekeeping Trust Company into which member assessments
11 collected under Sections 2210.613 and 2210.6135 are deposited.

12 (6) [~~(6-c)~~] "Premium surcharge trust fund" means the
13 dedicated trust fund established by the board and held by the Texas
14 Treasury Safekeeping Trust Company into which premium surcharges
15 collected under Section 2210.613 are deposited.

16 SECTION 14. Section 2210.609, Insurance Code, is amended to
17 read as follows:

18 Sec. 2210.609. REPAYMENT OF ASSOCIATION'S PUBLIC SECURITY
19 OBLIGATIONS. (a) The board and the association shall enter into
20 an agreement under which the association shall provide for the
21 payment of all public security obligations from available funds
22 collected by the association and deposited into the public security
23 obligation revenue fund. If the association determines that it is
24 unable to pay the public security obligations and public security
25 administrative expenses, if any, with available funds, the
26 association shall pay those obligations and expenses in accordance
27 with Section [~~Sections 2210.612,~~] 2210.613 [~~, 2210.6135, and~~

1 ~~2210.6136 as applicable~~. [~~Class 1,~~] Class 2 [~~, or Class 3~~] public
2 securities may be issued on a parity or subordinate lien basis with
3 other [~~Class 1,~~] Class 2 [~~, or Class 3~~] public securities [~~,
4 respectively~~].

5 (b) If any public securities issued under this chapter are
6 outstanding, the authority shall notify the association of the
7 amount of the public security obligations and the estimated amount
8 of public security administrative expenses, if any, each calendar
9 year in a period sufficient, as determined by the association, to
10 permit the association to determine the availability of funds,
11 assess members of the association under Section [~~Sections~~] 2210.613
12 [~~and 2210.6135~~], and assess a premium surcharge if necessary.

13 (c) The association shall deposit all revenue collected
14 under [~~Section 2210.612 in the public security obligation revenue
15 fund, all revenue collected under~~] Section 2210.613(b) in the
16 premium surcharge trust fund, and all revenue collected under
17 Section [~~Sections~~] 2210.613(a) [~~and 2210.6135~~] in the member
18 assessment trust fund. Money deposited in a fund may be invested
19 as permitted by general law. Money in a fund required to be used to
20 pay public security obligations and public security administrative
21 expenses, if any, shall be transferred to the appropriate funds in
22 the manner and at the time specified in the proceedings authorizing
23 the public securities to ensure timely payment of obligations and
24 expenses. This may include the board establishing funds and
25 accounts with the comptroller that the board determines are
26 necessary to administer and repay the public security
27 obligations. If the association has not transferred amounts

1 sufficient to pay the public security obligations to the board's
2 designated interest and sinking fund in a timely manner, the board
3 may direct the Texas Treasury Safekeeping Trust Company to transfer
4 from the public security obligation revenue fund, the premium
5 surcharge trust fund, or the member assessment trust fund to the
6 appropriate account the amount necessary to pay the public security
7 obligation.

8 (d) The association shall provide for the payment of the
9 public security obligations and the public security administrative
10 expenses by irrevocably pledging revenues received from
11 [~~premiums,~~] member assessments, premium surcharges, and amounts on
12 deposit in the public security obligation revenue fund, the premium
13 surcharge trust fund, and the member assessment trust fund,
14 together with any public security reserve fund, as provided in the
15 proceedings authorizing the public securities and related credit
16 agreements.

17 (e) An amount owed by the board under a credit agreement
18 shall be payable from and secured by a pledge of revenues received
19 by the association or amounts from the public security obligation
20 trust fund, the premium surcharge trust fund, and the member
21 assessment trust fund to the extent provided in the proceedings
22 authorizing the credit agreement.

23 SECTION 15. Section 2210.610(a), Insurance Code, is amended
24 to read as follows:

25 (a) Revenues received from the premium surcharges under
26 Section 2210.613 and member assessments under Section [~~Sections~~]
27 2210.613 [~~and 2210.6135~~] may be applied only as provided by this

1 subchapter.

2 SECTION 16. Section 2210.611, Insurance Code, is amended to
3 read as follows:

4 Sec. 2210.611. EXCESS REVENUE COLLECTIONS AND INVESTMENT
5 EARNINGS. Revenue collected in any calendar year from a premium
6 surcharge under Section 2210.613 and member assessments under
7 Section [~~Sections~~] 2210.613 [~~and 2210.6135~~] that exceeds the amount
8 of the public security obligations and public security
9 administrative expenses payable in that calendar year and interest
10 earned on the public security obligation fund may, in the
11 discretion of the association, be:

12 (1) used to pay public security obligations payable in
13 the subsequent calendar year, offsetting the amount of the premium
14 surcharge and member assessments, as applicable, that would
15 otherwise be required to be levied for the year under this
16 subchapter;

17 (2) used to redeem or purchase outstanding public
18 securities; or

19 (3) deposited in the catastrophe reserve trust fund.

20 SECTION 17. Section 2210.614, Insurance Code, is amended to
21 read as follows:

22 Sec. 2210.614. REFINANCING PUBLIC SECURITIES. The
23 association may request the board to refinance any Class 2 public
24 securities issued in accordance with Subchapter B-1 [~~whether~~
25 ~~Class 1, Class 2, or Class 3 public securities,~~] with public
26 securities payable from the same sources as the original public
27 securities.

1 SECTION 18. Subchapter B, Chapter 2211, Insurance Code, is
2 amended by adding Section 2211.0522 to read as follows:

3 Sec. 2211.0522. ADMINISTRATION BY CONTRACTED
4 ADMINISTRATOR. (a) Notwithstanding any other law, the
5 commissioner shall contract with an administrator, as described
6 under Sections 2210.003, 2210.014, 2210.063, 2210.064,
7 2210.065, 2210.066, and 2210.067, to manage the association and
8 administer the plan of operation not later than January 1, 2014.

9 (b) the administrator must hold either, or both, a managing
10 general agent license or a third party administrator certificate
11 of authority issued under this code.

12 (c) The term of the administrator contract may not exceed
13 five years. The contract may be renewed for additional terms, of
14 not more than five years for each term.

15 SECTION 19. Sections 2210.605(c), 2210.608(c), 2210.612,
16 2210.6135, and 2210.6136, Insurance Code, are repealed.

17 SECTION 20. Notwithstanding Section 2210.4521 as added by
18 this Act, beginning on the effective date of this Act and continuing
19 until December 31, 2013, the association shall deposit one-half of
20 its earned premium into the trust described by that section. Money
21 collected in calendar year 2013 shall be deposited in the
22 catastrophe reserve trust fund as described by that section.
23 Section 2210.4521 shall apply to all association premium earned on
24 and after January 1, 2014.

25 SECTION 21. Notwithstanding Section 2210.072 as amended by
26 this Act, amounts collected under Section 2210.4521 and SECTION 20
27 of this Act, may not be used to pay for a covered insured

1 association loss occurring prior to the effective date of this Act.

2 SECTION 22. (a) Effective January 1, 2014, the name of the Texas
3 Windstorm Insurance Association is changed to Texas Insurance Plan
4 and all powers, duties, rights, and obligations of the Texas
5 Windstorm Insurance Association are the powers, duties, rights, and
6 obligations of the Texas Insurance Plan.

7 (b) Effective January 1, 2014, a reference in law to the
8 Texas Windstorm Insurance Association is a reference to the Texas
9 Insurance Plan.

10 (c) The Texas Windstorm Insurance Association shall adopt a
11 timetable for phasing in the change of the association's name so as
12 to minimize the fiscal impact of the name change. Until January 1,
13 2014, to allow for phasing in the change of the association's name
14 and in accordance with the timetable established as required by
15 this section, the association may perform any act authorized by law
16 for the Texas Windstorm Insurance Association as the Texas
17 Insurance Plan. Any act of the Texas Windstorm Insurance
18 Association acting as the Texas Insurance Plan after the effective
19 date of this Act and before January 1, 2014, is an act of the Texas
20 Windstorm Insurance Association.

21 SECTION 23. The commissioner may, by order, require the
22 administrator retained to administer the Texas Insurance Plan under
23 Section 2210.062 to assume responsibility for administering the
24 Texas Insurance Plan and the plan of operation as described in
25 Section 2210.062 of this Act prior to January 1, 2014.

26 SECTION 24. This Act takes effect immediately if it
27 receives a vote of two-thirds of all the members elected to each

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1 house, as provided by Section 39, Article III, Texas Constitution.
2 If this Act does not receive the vote necessary for immediate
3 effect, this Act takes effect on the 91st day after the last day of
4 the legislative session.