By: Herrero   H.B. No. 2408

A BILL TO BE ENTITLED

1   AN ACT

2 relating to the composition of the board of directors of the Texas

3 Windstorm Insurance Association.

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

5   SECTION 1. Sections 2210.102(a), (c), (f), and (g),

6 Insurance Code, are amended to read as follows:

7   (a) The board of directors is composed of 11 [nine] members

8 appointed by the governor [commissioner] in accordance with this

9 section.

10   (c) Six [Four] members must, as of the date of the

11 appointment, reside in the first tier coastal counties. One [At

12 least one] of the members appointed under this subsection must be a

13 property and casualty agent who is licensed under this code and is

14 not a captive agent. Other members appointed under this subsection:

15   (1) must be association policyholders nominated by the

16 office of public insurance counsel; and

17   (2) may not be property and casualty agents.

18   (f) Insurers who are members of the association shall

19 nominate, from among those members, persons to fill any vacancy in

20 the four board of director seats reserved for representatives of

21 the insurance industry. The board of directors shall solicit

22 nominations from the members and submit the nominations to the

23 governor [commissioner]. The nominee slate submitted to the

24 governor [commissioner] under this subsection must include at least

1 three more names than the number of vacancies. The governor
2 [commissioner] shall appoint replacement insurance industry
3 representatives from the nominee slate.

4   (g) The governor [commissioner] shall appoint one person to
5 serve as a nonvoting member of the board to advise the board
6 regarding issues relating to the inspection process. The governor
7 [commissioner] may give preference in an appointment under this
8 subsection to a person who is a qualified inspector under Section
9 2210.254. The nonvoting member appointed under this subsection
10 [section] must:

11   (1) be an engineer licensed by, and in good standing
12 with, the Texas Board of Professional Engineers;

13   (2) reside in a first tier coastal county; and

14   (3) be knowledgeable of, and have professional
15 expertise in, wind-related design and construction practices in
16 coastal areas that are subject to high winds and hurricanes.

17   SECTION 2. Sections 2210.103(a) and (c), Insurance Code,
18 are amended to read as follows:

19   (a) Members of the board of directors serve two-year
20 [three-year staggered] terms[, with the terms of three members
21 expiring on the third Tuesday of March of each year].

22   (c) A member of the board of directors may be removed by the
23 governor [commissioner] with cause stated in writing and posted on
24 the association's website. The governor [commissioner] shall
25 appoint a replacement in the manner provided by Section 2210.102
26 for a member who leaves or is removed from the board of directors.

27   SECTION 3. (a) The board of directors of the Texas

1 Windstorm Insurance Association established under Section
2 2210.102, Insurance Code, as that section existed before amendment
3 by this Act, is abolished effective December 1, 2015.

4   (b) The governor shall appoint the members of the board of
5 directors of the Texas Windstorm Insurance Association under
6 Section 2210.102, Insurance Code, as amended by this Act, not later
7 than December 1, 2015.

8   (c) The term of a person who is serving as a member of the
9 board of directors of the Texas Windstorm Insurance Association
10 immediately before the abolition of that board under Subsection (a)
11 of this section expires on December 1, 2015. Such a person is
12 eligible for appointment by the governor to the new board of
13 directors of the Texas Windstorm Insurance Association, subject to
14 the requirements of Section 2210.102, Insurance Code, as amended by
15 this Act.

16   SECTION 4. This Act takes effect September 1, 2015.