

## **BILL ANALYSIS**

Senate Research Center  
85R7473 SMT-D

H.B. 3018  
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Business & Commerce  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Louisiana Citizens Property Insurance Corporation (LCPIC) is Louisiana's equivalent to the Texas Windstorm Insurance Association (TWIA) which functions as an insurer of last resort for windstorm and hail insurance. In 2016, Louisiana's legislature enacted a law that limits access to the LCPIC to only resident licensed agents. Agents in Texas have been notified by LCPIC that they must provide verification of their Louisiana state license or their agency appointment will be deactivated and their policies will be set to roll to LCPIC. This means that Texas resident agents are no longer authorized to write policies with LCPIC but Louisiana resident agents are able to continue offering or selling insurance policies issued by TWIA.

H.B. 3018 addresses this discrepancy by establishing a reciprocity requirement that will allow non-resident licensed agents to access TWIA only if the nonresident's state allows Texas agents access to that state's insurer of last resort for windstorm and hail damage.

H.B. 3018 amends Chapter 2210, Insurance Code, to require TWIA's plan of operation to include a requirement that a nonresident agent is prohibited from offering or selling a Texas windstorm and hail insurance policy under the Texas Windstorm Insurance Association Act unless the nonresident agent's state of residence authorizes a resident agent licensed in Texas to act in their state as an agent for that state's residual insurer of last resort for windstorm and hail insurance.

H.B. 3018 amends current law relating to reciprocity requirements for nonresident insurance agents to offer or sell insurance policies issued by the Texas Windstorm Insurance Association.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2210.152(a), Insurance Code, as follows:

- (a) Requires that the plan of operation include among other requirements, a requirement that a nonresident agent licensed under Section 4056.052 (Issuance of License to Nonresident Agent Licensed in Other State) may not offer or sell a Texas windstorm and hail insurance policy under this chapter unless the nonresident agent's state of residence authorizes a resident agent licensed in this state to act in the nonresident agent's state as an agent for that state's residual insurer of last resort for windstorm and hail insurance. Makes nonsubstantive changes.

SECTION 2. Effective date: January 1, 2018.