

Amend Floor Amendment No. 1 by Taylor to **HB 1900** by striking item (3) and substituting as follows:

(3) Add the following appropriately numbered SECTIONS to the bill and renumber the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter C, Chapter 2210, Insurance Code, is amended by adding Section 2210.1052 to read as follows:

Sec. 2210.1052. EMERGENCY MEETING. If the ultimate loss estimate for an occurrence or series of occurrences made by the chief financial officer or chief actuary of the association indicates member insurers may be subject to an assessment under Subchapter B-1, the board of directors shall call an emergency meeting to notify the member insurers about the assessment.

SECTION _____. Chapter 2210, Insurance Code, is amended by adding Subchapter N-1 to read as follows:

SUBCHAPTER N-1. LEGISLATIVE FUNDING AND FUNDING STRUCTURE OVERSIGHT BOARD

Sec. 2210.661. DEFINITION. In this subchapter, "board" means the windstorm insurance legislative funding and funding structure oversight board.

Sec. 2210.662. COMPOSITION OF BOARD. The board is composed of eight members as follows:

(1) four members of the senate appointed by the lieutenant governor including the chairperson of the Senate Business and Commerce Committee, who shall serve as co-chairperson of the board; and

(2) four members of the house of representatives appointed by the speaker of the house of representatives.

Sec. 2210.663. POWERS AND DUTIES OF BOARD. (a) The board shall:

(1) gather information regarding:

(A) how the association's current funding and funding structure operate;

(B) how the catastrophic risk pools of other states operate; and

(C) other information that the board considers necessary to prepare the report required by Section 2210.664; and

(2) hold public meetings to hear testimony from experts, stakeholders, and other interested parties regarding recommendations and proposals for establishing and implementing sustainable funding and a sustainable funding structure for the association.

(b) The board may request reports and other information as necessary to implement this subchapter from:

- (1) the department;
- (2) the association; and
- (3) experts, stakeholders, and other interested parties described by Subsection (a)(2).

Sec. 2210.664. REPORT. (a) The board shall prepare a report of the board's findings regarding the current funding and funding structure of the association, problems with the funding and funding structure, and recommendations for legislative action related to the funding, funding structure, and sustainability of the association. The report must include:

(1) an analysis of the current funding, funding structure, and sustainability of the association, including the association's reliance on debt and reinsurance; and

(2) recommendations for legislative action necessary to:

(A) address problems with the current funding and funding structure of the association; and

(B) foster the stability and sustainability of the association.

(b) Not later than November 15, 2020, the board shall deliver the report prepared under Subsection (a) to:

(1) the governor;

(2) the lieutenant governor; and

(3) the speaker of the house of representatives.

Sec. 2210.665. EXPIRATION. This subchapter expires September 1, 2021.

SECTION _____. (a) The windstorm insurance legislative oversight board established under Subchapter N, Chapter 2210, Insurance Code, shall conduct a study to evaluate a merger of the Texas Windstorm Insurance Association established under Chapter 2210, Insurance Code, and the Fair Access to Insurance Requirements

Plan established under Chapter 2211, Insurance Code.

(b) The evaluation must consider:

(1) the affordability and availability of windstorm and hail insurance throughout this state and, in particular, in the seacoast territory as defined by Section 2210.003, Insurance Code;

(2) the affordability and availability of residential property insurance throughout this state and, in particular, in underserved areas as defined by Section 2211.001, Insurance Code;

(3) the advisability of merging the Texas Windstorm Insurance Association and the Fair Access to Insurance Requirements Plan to provide windstorm and hail and residential property insurance in this state;

(4) any efficiencies or inefficiencies from a merger of the Texas Windstorm Insurance Association and the Fair Access to Insurance Requirements Plan;

(5) the funding necessary to ensure that windstorm and hail and residential property insurance are available after the merger of the Texas Windstorm Insurance Association and the Fair Access to Insurance Requirements Plan; and

(6) any other items the windstorm insurance legislative oversight board determines are relevant to a merger of the Texas Windstorm Insurance Association and the Fair Access to Insurance Requirements Plan.

(c) Not later than January 1, 2021, the windstorm insurance legislative oversight board shall submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the Texas Department of Insurance a written report of the study conducted under Subsection (a) of this section. The report must include the findings and legislative recommendations of the board.

(d) This section expires January 1, 2022.