

BILL ANALYSIS

H.B. 3633
By: Herrero
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There are concerns that the current composition of the board of directors of the Texas Windstorm Insurance Association (TWIA) is more representative of the interests of the insurance industry than of consumers. H.B. 3633 seeks to address this concern by increasing the number of board members from nine to 11 and ensuring that certain members are association policyholders but not property and casualty agents.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3633 amends the Insurance Code to revise the composition of the board of directors of the Texas Windstorm Insurance Association (TWIA) by:

- changing from the commissioner of insurance to the governor the entity that appoints the members;
- increasing from nine to 11 the number of members so appointed; and
- increasing from three to five the number of members required to reside in the first tier coastal counties as of the date of the appointment.

The bill requires the members who reside in the first tier coastal counties other than the one member required to be a licensed property and casualty agent and not a captive agent to be TWIA policyholders nominated by the office of public insurance counsel and prohibits such members from being property and casualty agents. The bill changes the terms of board members from three-year staggered terms to two-year terms.

H.B. 3633 abolishes, effective December 1, 2019, the sitting board of directors and expires the members' terms on December 1, 2019. The bill requires the governor to appoint new members as provided by the bill not later than December 1, 2019, and establishes that a person serving as a member of the board immediately before the board's abolition is eligible for appointment by the governor to the new board, subject to applicable requirements.

EFFECTIVE DATE

September 1, 2019.