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By:  Middleton H.B. No. 3038

A BILL TO BE ENTITLED

AN ACT

relating to reinsurance for catastrophic losses provided to the Texas Windstorm Insurance Association by member insurers.

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

SECTION 1.  Subchapter J, Chapter 2210, Insurance Code, is amended by adding Section 2210.4522 to read as follows:

Sec. 2210.4522.  REINSURANCE REQUIRED. (a) Notwithstanding any other provision of this chapter, a member insurer shall provide to the association reinsurance in lieu of reinsurance purchased under Section 2210.453 at no cost to the association. The proportion of the losses that exceed the attachment point for the provided reinsurance is calculated in the manner used to determine each insurer's participation in the association for the year under Section 2210.052.

(b)  A member insurer may purchase reinsurance to cover the proportion of losses for which the insurer is responsible under Subsection (a).

SECTION 2.  The Texas Windstorm Insurance Association shall amend the association's plan of operation to conform to the changes in law made by this Act not later than the 60th day after the effective date of this Act.

SECTION 3.  This Act takes effect September 1, 2019.