

By: Middleton

H.B. No. 3038

A BILL TO BE ENTITLED

AN ACT

1
2 relating to reinsurance for catastrophic losses provided to the
3 Texas Windstorm Insurance Association by member insurers.

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

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

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

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

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

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