

By: Herrero

H.B. No. 3633

A BILL TO BE ENTITLED

AN ACT

relating to the board of directors of the Texas Windstorm Insurance Association.

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

SECTION 1. Sections 2210.102(a), (c), (c-1), and (f), Insurance Code, are amended to read as follows:

(a) The board of directors is composed of 11 [~~nine~~] members appointed by the governor [~~commissioner~~] in accordance with this section.

(c) Five [~~Three~~] members must, as of the date of the appointment, reside in the first tier coastal counties. Each of the following regions must be represented by a member residing in the region and appointed under this subsection:

(1) the region consisting of Cameron, Kenedy, Kleberg, and Willacy Counties;

(2) the region consisting of Aransas, Calhoun, Nueces, Refugio, and San Patricio Counties; and

(3) the region consisting of Brazoria, Chambers, Galveston, Jefferson, and Matagorda Counties and any part of Harris County designated as a catastrophe area under Section 2210.005.

(c-1) One of the members appointed under Subsection (c) must be a property and casualty agent who is licensed under this code and is not a captive agent. Other members appointed under that subsection:

1 (1) must be association policyholders nominated by the
2 office of public insurance counsel; and

3 (2) may not be property and casualty agents.

4 (f) Insurers who are members of the association shall
5 nominate, from among those members, persons to fill any vacancy in
6 the three board of director seats reserved for representatives of
7 the insurance industry. The board of directors shall solicit
8 nominations from the members and submit the nominations to the
9 governor [~~commissioner~~]. The nominee slate submitted to the
10 governor [~~commissioner~~] under this subsection must include at least
11 three more names than the number of vacancies. The governor
12 [~~commissioner~~] may appoint replacement insurance industry
13 representatives from the nominee slate.

14 SECTION 2. Section [2210.103](#), Insurance Code, is amended to
15 read as follows:

16 Sec. 2210.103. TERMS. (a) Members of the board of
17 directors serve two-year [~~three-year staggered~~] terms[~~, with the~~
18 ~~terms of three members expiring on the third Tuesday of March of~~
19 ~~each year~~].

20 (b) A person may serve on the board of directors for not more
21 than three consecutive full terms, not to exceed six [~~nine~~] years.

22 (c) A member of the board of directors may be removed by the
23 governor [~~commissioner~~] with cause stated in writing and posted on
24 the association's website. The governor [~~commissioner~~] shall
25 appoint a replacement in accordance with Section [2210.102](#) for a
26 member who leaves or is removed from the board of directors.

27 SECTION 3. (a) The board of directors of the Texas

1 Windstorm Insurance Association established under Section
2 [2210.102](#), Insurance Code, as that section existed before amendment
3 by this Act, is abolished effective December 1, 2019.

4 (b) The governor shall appoint the members of the board of
5 directors of the Texas Windstorm Insurance Association under
6 Section [2210.102](#), Insurance Code, as amended by this Act, not later
7 than December 1, 2019.

8 (c) The term of a person who is serving as a member of the
9 board of directors of the Texas Windstorm Insurance Association
10 immediately before the abolition of that board under Subsection (a)
11 of this section expires on December 1, 2019. Such a person is
12 eligible for appointment by the governor to the new board of
13 directors of the Texas Windstorm Insurance Association, subject to
14 the requirements of Section [2210.102](#), Insurance Code, as amended by
15 this Act.

16 SECTION 4. This Act takes effect September 1, 2019.