**BILL ANALYSIS**

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| Senate Research Center | C.S.H.B. 769 |
|  | By: Middleton et al. (Taylor) |
|  | Jurisprudence |
|  | 5/21/2021 |
|  | Committee Report (Substituted) |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

It has been noted that previous reforms of the Texas Windstorm Insurance Association's (TWIA) operations to control rates and assert greater accountability have greatly improved its administration. However, interested parties contend additional reforms to TWIA are needed to ensure that it fulfills its role as the insurer of last resort along the Texas Gulf Coast as efficiently and effectively as possible. H.B. 769, as engrossed, seeks to implement several reforms aimed at improving the administration of TWIA.

(Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 769 amends current law relating to the administration of the Texas Windstorm Insurance Association.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter H, Chapter 2210, Insurance Code, by adding Section 2210.3512, as follows:

Sec. 2210.3512. REQUIREMENT FOR VOTE ON RATE FILING. Prohibits the board of directors of the Texas Windstorm Insurance Association (TWIA) from voting on a proposed rate filing if there is a vacancy on the board.

SECTION 2. Amends the heading to Section 2210.453, Insurance Code, to read as follows:

Sec. 2210.453. FUNDING LEVELS; REINSURANCE AND ALTERNATIVE RISK FINANCING MECHANISMS; REINSURANCE FROM CERTAIN INSURER OR BROKER PROHIBITED.

SECTION 3. Amends Section 2210.453, Insurance Code, by adding Subsection (f), as follows:

(f) Prohibits TWIA from purchasing reinsurance under this section from an insurer or broker involved in the execution of a catastrophe model on which TWIA relies in determining the probable maximum loss applicable for the period covered by the reinsurance or in adopting rates under Section 2210.355 (General Rate Requirements; Rate Standards).

SECTION 4. Requires the Texas Department of Insurance to amend TWIA'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 5. Effective date: September 1, 2021.