

BILL ANALYSIS

Senate Research Center
87R17390 SMT-D

C.S.S.B. 1448
By: Taylor
Business & Commerce
4/8/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 86th Regular Session of the Texas Legislature passed into law legislation that, among other things, created two select interim legislative committee assignments. The committees were tasked with studying the funding and funding structure of the Texas Windstorm Insurance Association (TWIA), and combining the Texas Fair Access to Insurance Requirements (FAIR) Plan and TWIA into one association, respectively. As a direct result of the COVID-19 pandemic, neither committee was able to meet. The legislation sunset the committee studies in 2021.

S.B. 1448 extends the sunset dates of both select interim committees until 2023 so that the committees can meet and complete their tasks during the upcoming legislative interim.

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

C.S.S.B. 1448 amends current law relating to the powers and duties of the windstorm insurance legislative oversight board and to certain studies by the board relating to the Texas Windstorm Insurance Association and the Fair Access to Insurance Requirements Plan.

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 N, Chapter 2210, Insurance Code, by adding Section 2210.655, as follows:

Sec. 2210.655. TEMPORARY POWERS AND DUTIES OF BOARD; STUDY OF FUNDING AND FUNDING STRUCTURE. (a) Requires the windstorm insurance legislative oversight board (board) to:

(1) gather information regarding:

(A) how the Texas Windstorm Insurance Association's (TWIA) current funding and funding structure operate;

(B) how the catastrophic risk pools of other states operate; and

(C) other information that the board considers necessary to prepare the information required by Subsection (c); and

(2) hold public meetings to hear testimony from experts, stakeholders, and other interested parties regarding recommendations and proposals for establishing and implementing sustainable funding and a sustainable funding structure for TWIA.

(b) Authorizes the board to request reports and other information as necessary to implement this section from:

(1) the Texas Department of Insurance;

(2) TWIA; and

(3) experts, stakeholders, and other interested parties described by Subsection (a) (2).

(c) Requires the board to include in the report described by Section 2210.654 (Report) the board's findings regarding the current funding and funding structure of TWIA, problems with the funding and funding structure, and recommendations for legislative action related to the funding, funding structure, and sustainability of TWIA. Requires that the report include:

(1) an analysis of the current funding, funding structure, and sustainability of TWIA, including TWIA's reliance on debt and reinsurance; and

(2) recommendations for legislative action necessary to:

(A) address problems with the current funding and funding structure of TWIA; and

(B) foster the stability and sustainability of TWIA.

(d) Provides that this section expires September 1, 2023.

SECTION 2. Amends Sections 14(c) and (d), Chapter 790 (H.B. 1900), Acts of the 86th Legislature, Regular Session, 2019, as follows:

(c) Requires the board, not later than January 1, 2023, rather than January 1, 2021, to submit to certain entities a written report of a study conducted under Section 14 (relating to the merger of TWIA and the Fair Access to Insurance Requirements Plan).

(d) Provides that Section 14 expires January 1, 2024, rather than January 1, 2022.

SECTION 3. Effective date: September 1, 2021.