

AN ACT

relating to the powers and duties of the Texas Windstorm Insurance Association and the windstorm insurance legislative oversight board and to certain studies by the board relating to the association and the Fair Access to Insurance Requirements Plan.

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

SECTION 1. Section 2210.351, Insurance Code, is amended by amending Subsection (d) and adding Subsection (f) to read as follows:

(d) The association may use a rate filed by the association without prior commissioner approval if:

(1) the filing is made not later than the 30th day before the date of any use or delivery for use of the rate;

(2) the filed rate does not exceed [~~105 percent of~~] the rate in effect on the date on which the filing is made; and

~~(3) [the filed rate does not reflect a rate change for an individual rating class that is 10 percent higher than the rate in effect for that rating class on the date on which the filing is made, and~~

~~(4)~~ the commissioner has not disapproved the filing in writing, advising of the reasons for the disapproval and the criteria the association is required to meet to obtain approval.

(f) The association may not file a rate under this section that exceeds the rate in effect on the date on which the filing is

1 made unless two-thirds of the board of directors votes to approve  
2 the rate.

3 SECTION 2. Section 2210.352, Insurance Code, is amended by  
4 amending Subsection (a-1) and adding Subsection (a-3) to read as  
5 follows:

6 (a-1) The association may use a rate filed by the  
7 association under this section without prior commissioner approval  
8 if:

9 (1) the filing is made not later than the 30th day  
10 before the date of any use or delivery for use of the rate; and

11 (2) the filed rate does not exceed [~~105 percent of~~] the  
12 rate used by the association in effect on the date on which the  
13 filing is made[~~, and~~

14 [~~(3) the filed rate does not reflect a rate change for~~  
15 ~~an individual rating class that is 10 percent higher than the rate~~  
16 ~~in effect for that rating class on the date on which the filing is~~  
17 ~~made].~~

18 (a-3) The association may not file a rate under this section  
19 that exceeds the rate in effect on the date on which the filing is  
20 made unless two-thirds of the board of directors votes to approve  
21 the rate.

22 SECTION 3. Subchapter N, Chapter 2210, Insurance Code, is  
23 amended by adding Section 2210.655 to read as follows:

24 Sec. 2210.655. TEMPORARY POWERS AND DUTIES OF BOARD; STUDY  
25 OF FUNDING AND FUNDING STRUCTURE. (a) The board shall:

26 (1) gather information regarding:

27 (A) how the association's current funding and

1 funding structure operate;

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

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

7 (2) hold public meetings to hear testimony from  
8 experts, stakeholders, and other interested parties regarding  
9 recommendations and proposals for establishing and implementing  
10 sustainable funding and a sustainable funding structure for the  
11 association.

12 (b) The board may request reports and other information as  
13 necessary to implement this section from:

14 (1) the department;

15 (2) the association; and

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

18 (c) The board shall include in the report described by  
19 Section 2210.654 the board's findings regarding the current funding  
20 and funding structure of the association, problems with the funding  
21 and funding structure, and recommendations for legislative action  
22 related to the funding, funding structure, and sustainability of  
23 the association. The report must include:

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

27 (2) recommendations for legislative action necessary

1 to:

2 (A) address problems with the current funding and  
3 funding structure of the association; and

4 (B) foster the stability and sustainability of  
5 the association.

6 (d) This section expires September 1, 2023.

7 SECTION 4. Sections 14(c) and (d), Chapter 790 (H.B. 1900),  
8 Acts of the 86th Legislature, Regular Session, 2019, are amended to  
9 read as follows:

10 (c) Not later than January 1, 2023 [~~2021~~], the windstorm  
11 insurance legislative oversight board shall submit to the governor,  
12 the lieutenant governor, the speaker of the house of  
13 representatives, and the Texas Department of Insurance a written  
14 report of a [~~the~~] study conducted under this section. The report  
15 must include the findings and legislative recommendations of the  
16 board.

17 (d) This section expires January 1, 2024 [~~2022~~].

18 SECTION 5. Sections 2210.351 and 2210.352, Insurance Code,  
19 as amended by this Act, apply only to a rate filed by the Texas  
20 Windstorm Insurance Association with the Texas Department of  
21 Insurance on or after the effective date of this Act. A rate filed  
22 with the Texas Department of Insurance before the effective date of  
23 this Act is governed by the law as it existed immediately before  
24 that date, and that law is continued in effect for that purpose.

25 SECTION 6. This Act takes effect September 1, 2021.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1448 passed the Senate on April 14, 2021, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 13, 2021, by the following vote: Yeas 25, Nays 5.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1448 passed the House, with amendment, on April 30, 2021, by the following vote: Yeas 138, Nays 3, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor