

## **BILL ANALYSIS**

H.B. 3821  
By: Perez  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

An insurance agent who is not familiar with Texas Windstorm Insurance Association (TWIA) policies may need to write an insurance policy for a customer with a property in a coastal county. TWIA policies can differ from traditional policies, and there are concerns that agents who are not familiar with the unique forms and processes may make errors that take time and resources for TWIA to correct. Currently, any state-licensed property insurance agent may submit applications to TWIA, TWIA does not appoint agents, agents are not required to contract with TWIA, and TWIA does not have express authority to take action in response to agent noncompliance. There are calls to establish agent requirements and performance standards similar to those under the Texas FAIR Plan Association. H.B. 3821 seeks to address these calls.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 3821 amends the Insurance Code to authorize the Texas Windstorm Insurance Association (TWIA) to establish requirements that an insurance agent must comply with to offer or sell a Texas windstorm and hail insurance policy. The bill authorizes TWIA to audit such an agent to determine the agent's compliance with the requirements and to take appropriate action to limit or prohibit an agent that TWIA finds is not in compliance from offering or selling a policy until the agent complies with the requirements. The bill clarifies that an agent who offers or sells Texas windstorm and hail insurance policies is not an agent of TWIA.

### **EFFECTIVE DATE**

September 1, 2023.