

By: Lozano

H.B. No. 3311

A BILL TO BE ENTITLED

AN ACT

relating to the process of selecting member representatives for the board of directions of the Texas Windstorm Insurance Association.

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

SECTION 1. Section [2210.102](#), Insurance Code, is amended to repeal Subsection (f) as follows:

COMPOSITION. (a) The board of directors is composed of nine members appointed by the commissioner in accordance with this section.

(b) Three members must be representatives of the insurance industry who actively write and renew windstorm and hail insurance in the first tier coastal counties.

(c) 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

1 be a property and casualty agent who is licensed under this code and  
2 is not a captive agent.

3 (d) Three members must reside in an area of this state that  
4 is located more than 100 miles from the Texas coastline.

5 (e) All members must have demonstrated experience in  
6 insurance, general business, or actuarial principles and the  
7 member's area of expertise, if any, sufficient to make the success  
8 of the association probable.

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

18 ~~(g)~~ (f) Members appointed to the board of directors under  
19 Subsections (c) and (d), other than the member appointed under  
20 Subsection (c-1), must represent the general public in the regions  
21 described by those subsections. A person may not be appointed to  
22 represent the general public under Subsection (c) or (d) if the  
23 person or the person's spouse:

24 (1) is employed by or participates in the management  
25 of a business entity or other organization:

26 (A) operating in the property and casualty  
27 insurance industry in this state;

1 (B) receiving money from the association, other  
2 than insurance claim payments; or

3 (C) receiving money from association  
4 policyholders with respect to the policyholders' claims;

5 (2) owns or controls, directly or indirectly, more  
6 than a 10 percent interest in a business entity or other  
7 organization:

8 (A) operating in the property and casualty  
9 insurance industry in this state;

10 (B) receiving money from the association, other  
11 than insurance claim payments; or

12 (C) receiving money from association  
13 policyholders with respect to the policyholders' claims; or

14 (3) uses or receives a substantial amount of tangible  
15 goods, services, or money from the association, other than:

16 (A) insurance claim payments; or

17 (B) compensation or reimbursement authorized by  
18 law for the board members' membership, attendance, or expenses.

19 ~~(h)~~ (g) Repealed by Acts 2015, 84th Leg., R.S., Ch. 615 ,  
20 Sec. 31(1), eff. September 1, 2015.

21 SECTION 2. This Act takes effect September 1, 2023.