

By: Middleton

S.B. No. 2556

A BILL TO BE ENTITLED

AN ACT

relating to the abolition of the Texas Windstorm Insurance Association and coverage for windstorm by certain insurers.

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

SECTION 1. Title 10, Subtitle G, is amended by adding Chapter 2210A, Insurance Code, to read as follows:

CHAPTER 2210A. TEXAS WINDSTORM INSURANCE

Sec. 2210A.001. WINDSTORM COVERAGE REQUIRED. (a) This chapter applies to all property insurers authorized to engage in the business of property and casualty insurance in this state.

(b) As a condition of the insurer's authority to engage in the business of insurance in this state, each insurer, described by Subsection (a), must include coverage for windstorm and hail in each policy written for property located within:

(A) Aransas County;

(B) Brazoria County;

(C) Calhoun County;

(D) Cameron County;

(E) Chambers County;

(F) Galveston County;

(G) Jefferson County;

(H) Kenedy County;

(I) Kleberg County;

(J) Matagorda County;

1 (K) Nueces County;

2 (L) Refugio County;

3 (M) San Patricio County; or

4 (N) Willacy County.

5 (c) Coverage provided under Subsection (b) must be provided
6 at no additional cost to the insured. Costs incurred by insurers
7 under this section shall not be recouped through a premium
8 surcharge.

9 SECTION 2. Chapter 2210, Insurance Code, is repealed.

10 SECTION 3. (a) The Texas Windstorm Insurance Association
11 is abolished but continues in existence until September 1, 2024,
12 for purpose of satisfying or transferring obligations according to
13 Subsection (b).

14 (b) The Texas Windstorm Insurance Association shall, no
15 later than September 1, 2024, liquidate all assets and utilize the
16 funds to satisfy obligations.

17 (c) Any obligations not satisfied by Subsection (b) shall be
18 paid from pro rata member assessments. The proportion of each
19 member's assessment shall be determined in the manner used to
20 determine each insurer's participation in the association for the
21 year under Section 2210.052, Insurance Code, as that section
22 existed before the effective date of this Act.

23 SECTION 4. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect on September 1, 2023.