

## **BILL ANALYSIS**

Senate Research Center

H.B. 2518  
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Business & Commerce  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

According to information provided to the committee by the bill author, despite Texas Windstorm Insurance Association (TWIA) policyholders being allowed to pay their TWIA policy premiums in 2-pay, 4-pay, or 10-pay plans with zero interest, some policyholders nevertheless use premium financing companies to pay TWIA policy premiums. These companies, as the author explains to the committee, may charge an interest fee or a flat rate fee for their services, which can negatively affect TWIA policyholders. H.B. 2518 seeks to address this issue by prohibiting the use of premium financing arrangements to pay premiums on TWIA policies due to the availability of multiple installment plans directly through TWIA at no additional cost to the insured.

H.B. 2518 amends current law relating to the use of installment premium payment plans on Texas Windstorm Insurance Association policies.

### **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 Section 2210.2032, Insurance Code, by adding Subsection (c) to provide that due to the availability of multiple installment payment plans directly through the association at no additional cost to the insured, the use of premium financing agreements is prohibited.

SECTION 2. Makes application of this Act prospective to January 1, 2026.

SECTION 3. Effective date: September 1, 2025.