

## **BILL ANALYSIS**

H.B. 2518  
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Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

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.

### **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. 2518 amends the Insurance Code to prohibit the use of premium financing arrangements for Texas Windstorm Insurance Association (TWIA) policyholders due to the availability of multiple installment payment plans directly through TWIA at no additional cost to the insured. The bill applies to TWIA policies issued and renewed on or after January 1, 2026.

### **EFFECTIVE DATE**

September 1, 2025.