

By: Middleton, Creighton, Hinojosa of Nueces

S.B. No. 2571

A BILL TO BE ENTITLED

AN ACT

relating to funding of excess losses and operating expenses of the Texas Windstorm Insurance Association; authorizing an assessment.

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

ARTICLE 1. FUNDING OF INSURED LOSSES AND OPERATING EXPENSES OF TEXAS WINDSTORM INSURANCE ASSOCIATION

SECTION 1.01. The heading to Subchapter B-1, Chapter 2210, Insurance Code, is amended to read as follows:

SUBCHAPTER B-1. PAYMENT OF LOSSES INCURRED BEFORE JANUARY 1, 2026

SECTION 1.02. Subchapter B-1, Chapter 2210, Insurance Code, is amended by adding Section 2210.070 to read as follows:

Sec. 2210.070. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies only to the payment of losses and operating expenses of the association for a catastrophe year that occurs before January 1, 2026, and results in excess losses and operating expenses incurred by the association before January 1, 2026.

(b) Payment of excess losses and operating expenses of the association incurred after December 31, 2025, shall be paid as provided by Subchapter B-2.

SECTION 1.03. Section 2210.071(a), Insurance Code, is amended to read as follows:

(a) If, in a catastrophe year before January 1, 2026, an occurrence or series of occurrences in a catastrophe area results in insured losses and operating expenses of the association in

1 excess of premium and other revenue of the association, the excess
2 losses and operating expenses shall be paid as provided by this
3 subchapter.

4 SECTION 1.04. Section 2210.0715(b), Insurance Code, is
5 amended to read as follows:

6 (b) Proceeds of public securities issued or assessments
7 made before January 1, 2026, or as a result of any occurrence or
8 series of occurrences in a catastrophe year that occurs before
9 January 1, 2026, and results in insured losses before that date may
10 not be included in reserves available for a subsequent catastrophe
11 year for purposes of this section or Section 2210.082 unless
12 approved by the commissioner.

13 SECTION 1.05. Chapter 2210, Insurance Code, is amended by
14 adding Subchapter B-2 to read as follows:

15 SUBCHAPTER B-2. PAYMENT OF EXCESS LOSSES AND OPERATING EXPENSES

16 Sec. 2210.080. APPLICABILITY OF SUBCHAPTER. (a) This
17 subchapter applies only to the payment of losses and operating
18 expenses of the association for a catastrophe year that occurs
19 after December 31, 2025, and results in excess losses and operating
20 expenses incurred by the association after December 31, 2025.

21 (b) This section expires January 1, 2026.

22 Sec. 2210.081. PAYMENT OF EXCESS LOSSES. (a) If, in a
23 catastrophe year, an occurrence or series of occurrences in a
24 catastrophe area results in insured losses and operating expenses
25 of the association in excess of premium and other revenue of the
26 association, the excess losses and operating expenses shall be paid
27 as provided by this subchapter.

1 (b) The association may not pay insured losses and operating
2 expenses resulting from an occurrence or series of occurrences in a
3 catastrophe year with premium and other revenue earned in a
4 subsequent year.

5 Sec. 2210.082. PAYMENT FROM RESERVES AND TRUST FUND. (a)
6 The association shall pay insured losses and operating expenses
7 resulting from an occurrence or series of occurrences in a
8 catastrophe year in excess of premium and other revenue of the
9 association for that catastrophe year from reserves of the
10 association available before or accrued during that catastrophe
11 year and amounts in the catastrophe reserve trust fund available
12 before or accrued during that catastrophe year.

13 (b) Proceeds of public securities issued or assessments
14 made before or as a result of any occurrence or series of
15 occurrences in a catastrophe year that results in insured losses
16 may not be included in reserves available for a subsequent
17 catastrophe year for purposes of this section.

18 Sec. 2210.083. PAYMENT FROM MEMBER ASSESSMENTS. (a)
19 Insured losses and operating expenses for a catastrophe year not
20 paid under Section 2210.082 shall be paid as provided by this
21 section from member assessments not to exceed 33 percent of the
22 probable maximum loss for the association for that catastrophe
23 year.

24 (b) The association shall notify each association member of
25 the amount of the member's assessment under this section. The
26 proportion of the insured losses and operating expenses allocable
27 to each insurer under this section shall be determined in the manner

1 used to determine each insurer's participation in the association
2 for the year under Section 2210.052.

3 (c) An association member may not recoup an assessment paid
4 under this section through a premium surcharge or tax credit.

5 Sec. 2210.084. PAYMENT FROM CLASS 1 PUBLIC SECURITIES;
6 FINANCIAL INSTRUMENTS. (a) Losses not paid under Section 2210.083
7 shall be paid as provided by this section from the proceeds from
8 public securities issued in accordance with Subchapter M before,
9 on, or after the date of any occurrence or series of occurrences
10 that results in insured losses. Public securities described by
11 this section must be paid within a period not to exceed 14 years,
12 and shall be paid sooner if the board of directors determines the
13 association has the ability to do so and the commissioner approves.

14 (b) Public securities described by Subsection (a) that are
15 issued before an occurrence or series of occurrences that results
16 in incurred losses:

17 (1) may be issued on the request of the board of
18 directors with the approval of the commissioner; and

19 (2) may not, in the aggregate, exceed 33 percent of the
20 probable maximum loss for the association at any one time,
21 regardless of the calendar year or years in which the outstanding
22 public securities were issued.

23 (b-1) Public securities described by Subsection (a):

24 (1) shall be issued as necessary in a principal amount
25 not to exceed 33 percent of the probable maximum loss for the
26 association per catastrophe year, in the aggregate, for securities
27 issued during that catastrophe year before the occurrence or series

1 of occurrences that results in incurred losses in that year and
2 securities issued on or after the date of that occurrence or series
3 of occurrences, and regardless of whether for a single occurrence
4 or a series of occurrences; and

5 (2) subject to the maximum described by Subdivision
6 (1), may be issued, in one or more issuances or tranches, during the
7 calendar year in which the occurrence or series of occurrences
8 occurs or, if the public securities cannot reasonably be issued in
9 that year, during the following calendar year.

10 (c) If public securities are issued as described by this
11 section, the public securities shall be repaid in the manner
12 prescribed by Subchapter M.

13 (d) The association may borrow from, or enter into other
14 financing arrangements with, any market source, under which the
15 market source makes interest-bearing loans or other financial
16 instruments to the association to enable the association to pay
17 losses under this section or to obtain public securities under this
18 section. For purposes of this subsection, financial instruments
19 includes commercial paper.

20 (e) The proceeds of any outstanding public securities
21 described by Subsection (a) that are issued before an occurrence or
22 series of occurrences, together with the proceeds of any
23 outstanding public securities issued on or before June 1, 2025,
24 shall be depleted before the proceeds of any securities issued
25 after an occurrence or series of occurrences may be used. This
26 subsection does not prohibit the association from issuing
27 securities after an occurrence or series of occurrences before the

1 proceeds of outstanding public securities issued during a previous
2 catastrophe year have been depleted.

3 (f) If, under Subsection (e), the proceeds of any
4 outstanding public securities issued during a previous catastrophe
5 year, together with the proceeds of any outstanding public
6 securities issued on or before June 1, 2025, must be depleted, those
7 proceeds shall count against the limit on public securities
8 described by this section in the catastrophe year in which the
9 proceeds must be depleted.

10 REINSURANCE BY MEMBERS FOR MEMBER ASSESSMENTS. (a) Before
11 any occurrence or series of occurrences, an association member may
12 purchase reinsurance to cover an assessment for which the member
13 would otherwise be liable under this subchapter.

14 (b) An association member must notify the board of
15 directors, in the manner prescribed by the association, whether the
16 member will be purchasing reinsurance. If the member does not
17 purchase reinsurance under this section, the member remains liable
18 for any assessment imposed under this subchapter.

19 SECTION 1.06. Effective September 1, 2026, Subchapter B-1,
20 Chapter 2210, Insurance Code, is repealed.

21 SECTION 1.17. As soon as practicable after the effective
22 date of this Act and not later than December 1, 2025, the
23 commissioner of insurance shall adopt rules necessary to implement
24 Subchapter B-2, Insurance Code, as added by this Act.

ARTICLE 2. CONFORMING CHANGES

26 SECTION 2.01. (a) Section 2210.056(b), Insurance Code, is
27 amended to read as follows:

1 (b) The association's assets may not be used for or diverted
2 to any purpose other than to:

3 (1) satisfy, in whole or in part, the liability of the
4 association on claims made on policies written by the association;

5 (2) make investments authorized under applicable law;

6 (3) pay reasonable and necessary administrative
7 expenses incurred in connection with the operation of the
8 association and the processing of claims against the association;

9 (4) satisfy, in whole or in part, the obligations of
10 the association incurred in connection with Subchapters B-1, B-2,
11 J, and M, including reinsurance, public securities, and financial
12 instruments; or

13 (5) make remittance under the laws of this state to be
14 used by this state to:

15 (A) pay claims made on policies written by the
16 association;

17 (B) purchase reinsurance covering losses under
18 those policies; or

19 (C) prepare for or mitigate the effects of
20 catastrophic natural events.

21 (b) Effective September 1, 2026, Sections [2210.056\(b\)](#),
22 Insurance Code, is amended to read as follows:

23 (b) The association's assets may not be used for or diverted
24 to any purpose other than to:

25 (1) satisfy, in whole or in part, the liability of the
26 association on claims made on policies written by the association;

27 (2) make investments authorized under applicable law;

1 (3) pay reasonable and necessary administrative
2 expenses incurred in connection with the operation of the
3 association and the processing of claims against the association;

4 (4) satisfy, in whole or in part, the obligations of
5 the association incurred in connection with Subchapters B-2 [~~B-1~~],
6 J, and M, including reinsurance, public securities, and financial
7 instruments; or

8 (5) make remittance under the laws of this state to be
9 used by this state to:

10 (A) pay claims made on policies written by the
11 association;

12 (B) purchase reinsurance covering losses under
13 those policies; or

14 (C) prepare for or mitigate the effects of
15 catastrophic natural events.

16 SECTION 2.02. (a) Section [2210.1052](#), Insurance Code, is
17 amended to read as follows:

18 Sec. 2210.1052. EMERGENCY MEETING. If the ultimate loss
19 estimate for an occurrence or series of occurrences made by the
20 chief financial officer or chief actuary of the association
21 indicates member insurers may be subject to an assessment under
22 Subchapter B-1 or B-2, the board of directors shall call an
23 emergency meeting to notify the member insurers about the
24 assessment.

25 (b) Effective September 1, 2026, Section [2210.1052](#),
26 Insurance Code, is amended to read as follows:

27 Sec. 2210.1052. EMERGENCY MEETING. If the ultimate loss

1 estimate for an occurrence or series of occurrences made by the
2 chief financial officer or chief actuary of the association
3 indicates member insurers may be subject to an assessment under
4 Subchapter B-2 [~~B-1~~], the board of directors shall call an
5 emergency meeting to notify the member insurers about the
6 assessment.

7 SECTION 2.03. (a) Sections 2210.452(a) and (d), Insurance
8 Code, are amended to read as follows:

9 (a) The commissioner shall adopt rules under which the
10 association makes payments to the catastrophe reserve trust fund.
11 Except as otherwise specifically provided by this section, the
12 trust fund may be used only for purposes directly related to funding
13 the payment of insured losses, including:

14 (1) funding the obligations of the trust fund under
15 Subchapters [~~Subchapter~~] B-1 and B-2; and

16 (2) purchasing reinsurance or using alternative risk
17 financing mechanisms under Section 2210.453.

18 (d) The commissioner by rule shall establish the procedure
19 relating to the disbursement of money from the trust fund to
20 policyholders and for association administrative expenses directly
21 related to funding the payment of insured losses in the event of an
22 occurrence or series of occurrences within a catastrophe area that
23 results in a disbursement under Subchapter B-1 or B-2.

24 (b) Effective September 1, 2026, Sections 2210.452(a) and
25 (d), Insurance Code, are amended to read as follows:

26 (a) The commissioner shall adopt rules under which the
27 association makes payments to the catastrophe reserve trust fund.

1 Except as otherwise specifically provided by this section, the
2 trust fund may be used only for purposes directly related to funding
3 the payment of insured losses, including:

4 (1) funding the obligations of the trust fund under
5 Subchapter B-2 [~~B-1~~]; and

6 (2) purchasing reinsurance or using alternative risk
7 financing mechanisms under Section [2210.453](#).

8 (d) The commissioner by rule shall establish the procedure
9 relating to the disbursement of money from the trust fund to
10 policyholders and for association administrative expenses directly
11 related to funding the payment of insured losses in the event of an
12 occurrence or series of occurrences within a catastrophe area that
13 results in a disbursement under Subchapter B-2 [~~B-1~~].

14 SECTION 2.04. (a) Section [2210.453](#)(c), Insurance Code, is
15 amended to read as follows:

16 (c) The attachment point for reinsurance purchased under
17 this section may not be less than the aggregate amount of all
18 funding available to the association under Subchapters
19 [~~Subchapter~~] B-1 and B-2.

20 (b) Effective September 1, 2026, Section [2210.453](#)(c),
21 Insurance Code, is amended to read as follows:

22 (c) The attachment point for reinsurance purchased under
23 this section may not be less than the aggregate amount of all
24 funding available to the association under Subchapter B-2 [~~B-1~~].

25 SECTION 2.05. Effective January 1, 2026, Section [2210.602](#),
26 Insurance Code, is repealed and replaced with the following:

27 Sec. 2210.602. DEFINITIONS. In this subchapter:

1 (1) "Authority" means the Texas Public Finance
2 Authority.

3 (1-a) "Board" means the board of directors of the Texas
4 Public Finance Authority.

5 (1-b) "Catastrophic event" means an occurrence or a series
6 of occurrences that occurs in a catastrophe area during a calendar
7 year and that results in insured losses and operating expenses of
8 the association in excess of premium and other revenue of the
9 association.

10 (2) "Class 1 public securities" means public
11 securities authorized to be issued by Section 2210.084, including a
12 commercial paper program authorized before the occurrence of a
13 catastrophic event.

14 (2-a) "Class 1 public security trust fund" means the
15 dedicated trust fund established by the board and held by the Texas
16 Treasury Safekeeping Trust Company into which premium surcharges
17 collected under Section 2210.612 for the purpose of paying Class 1
18 public securities are deposited.

19 (3) "Credit agreement" has the meaning assigned by
20 Chapter 1371, Government Code.

21 (4) "Public security" means a debt instrument or other
22 public security issued by the Texas Public Finance Authority.

23 (5) "Public security administrative expenses" means
24 expenses incurred to administer public securities issued under this
25 subchapter, including fees for credit enhancement, paying agents,
26 trustees, and attorneys, and for other professional services.

27 (6) "Public security obligations" means the principal

1 of a public security and any premium and interest on a public
2 security issued under this subchapter, together with any amount
3 owed under a related credit agreement.

4 (7) "Public security resolution" means the resolution
5 or order authorizing public securities to be issued under this
6 subchapter.

7 SECTION 2.06. Effective January 1, 2026, Section
8 2210.604(a), Insurance Code, is amended to read as follows:

9 (a) At the request of the association and with the approval
10 of the commissioner, the Texas Public Finance Authority shall issue
11 Class 1[, ~~Class 2, or Class 3~~] public securities. The association
12 shall submit to the commissioner a cost-benefit analysis of various
13 financing methods and funding structures when requesting the
14 issuance of public securities under this subsection.

15 SECTION 2.07. Effective January 1, 2026, Section
16 2210.608(c), Insurance Code, is amended to read as follows:

17 (c) Notwithstanding Subsection (a)(2), the proceeds from
18 public securities issued under Section 2210.084 [~~Section 2210.072~~]
19 before an occurrence or series of occurrences that results in
20 incurred losses, including investment income, may not be used to
21 purchase reinsurance for the association.

22 SECTION 2.08. Effective January 1, 2026, Section 2210.609,
23 Insurance Code, is amended to read as follows:

24 Sec. 2210.609. REPAYMENT OF ASSOCIATION'S PUBLIC SECURITY
25 OBLIGATIONS. (a) The board and the association shall enter into an
26 agreement under which the association shall provide for the payment
27 of all public security obligations from available funds collected

1 by the association and deposited as required by this subchapter. If
2 the association determines that it is unable to pay the public
3 security obligations and public security administrative expenses,
4 if any, with available funds, the association shall pay those
5 obligations and expenses in accordance with Section 2210.612
6 [~~Sections 2210.612, 2210.613, and 2210.6131~~] as applicable. Class
7 1[~~, Class 2, or Class 3~~] public securities may be issued on a parity
8 or subordinate lien basis with other Class 1[~~, Class 2, or Class 3~~]
9 public securities[~~, respectively~~].

10 (b) If any public securities issued under this chapter are
11 outstanding, the authority shall notify the association of the
12 amount of the public security obligations and the estimated amount
13 of public security administrative expenses, if any, each calendar
14 year in a period sufficient, as determined by the association, to
15 permit the association to determine the availability of funds and
16 assess a premium surcharge if necessary.

17 (c) The association shall deposit all revenue collected
18 under Section 2210.612 in the Class 1 public security trust fund[~~,
19 all revenue collected under Section 2210.613 in the Class 2 public
20 security trust fund, and all revenue collected under Section
21 2210.6131 in the Class 3 public security trust fund~~]. Money
22 deposited in a fund may be invested as permitted by general law.
23 Money in a fund required to be used to pay public security
24 obligations and public security administrative expenses, if any,
25 shall be transferred to the appropriate funds in the manner and at
26 the time specified in the proceedings authorizing the public
27 securities to ensure timely payment of obligations and expenses.

1 This may include the board establishing funds and accounts with the
 2 comptroller that the board determines are necessary to administer
 3 and repay the public security obligations. If the association has
 4 not transferred amounts sufficient to pay the public security
 5 obligations to the board's designated interest and sinking fund in
 6 a timely manner, the board may direct the Texas Treasury
 7 Safekeeping Trust Company to transfer from the Class 1 public
 8 security trust fund[, ~~the Class 2 public security trust fund, or the~~
 9 ~~Class 3 public security trust fund~~] to the appropriate account the
 10 amount necessary to pay the public security obligation.

11 (d) The association shall provide for the payment of the
 12 public security obligations and the public security administrative
 13 expenses by irrevocably pledging revenues received from premiums,
 14 premium surcharges, and amounts on deposit in the Class 1 public
 15 security trust fund[, ~~the Class 2 public security trust fund, and~~
 16 ~~the Class 3 public security trust fund,~~] together with any public
 17 security reserve fund, as provided in the proceedings authorizing
 18 the public securities and related credit agreements.

19 (e) An amount owed by the board under a credit agreement
 20 shall be payable from and secured by a pledge of revenues received
 21 by the association from the Class 1 public security trust fund[, ~~the~~
 22 ~~Class 2 public security trust fund, and the Class 3 public security~~
 23 ~~trust fund~~] to the extent provided in the proceedings authorizing
 24 the credit agreement.

25 SECTION 2.09. Effective January 1, 2026, Section
 26 [2210.610](#)(a), Insurance Code, is amended to read as follows:

27 (a) Revenues received from the premium surcharges under

1 Section 2210.612 [~~Sections 2210.612, 2210.613, and 2210.6131~~] may
2 be applied only as provided by this subchapter.

3 SECTION 2.10. Effective January 1, 2026, Section 2210.611,
4 Insurance Code, is amended to read as follows:

5 Sec. 2210.611. EXCESS REVENUE COLLECTIONS AND INVESTMENT
6 EARNINGS. Revenue collected in any calendar year from a premium
7 surcharge under Section 2210.612 [~~Sections 2210.612, 2210.613, and~~
8 ~~2210.6131~~] that exceeds the amount of the public security
9 obligations and public security administrative expenses payable in
10 that calendar year and interest earned on the funds may, in the
11 discretion of the association, be:

12 (1) used to pay public security obligations payable in
13 the subsequent calendar year, offsetting the amount of the premium
14 surcharge that would otherwise be required to be levied for the year
15 under this subchapter;

16 (2) used to redeem or purchase outstanding public
17 securities; or

18 (3) deposited in the catastrophe reserve trust fund.

19 SECTION 2.11. Effective January 1, 2026, Sections
20 2210.612(a) and (e), Insurance Code, are amended to read as
21 follows:

22 (a) The association shall pay Class 1 public securities
23 issued under Section 2210.084 [~~Section 2210.072~~] from:

24 (1) net premium and other revenue; and

25 (2) if net premium and other revenue are not
26 sufficient to pay the securities, a catastrophe area premium
27 surcharge collected in accordance with this section.

(e) The association may enter financing arrangements as described by Section 2210.084(d) [~~Section 2210.072(d)~~] as necessary to obtain public securities issued under Section 2210.084 [~~Section 2210.072~~]. Nothing in this subsection shall prevent the authorization and creation of one or more programs for the issuance of commercial paper before the date of an occurrence or series of occurrences that results in insured losses under Section 2210.084(a) [~~Section 2210.072(a)~~].

SECTION 2.12. Effective January 1, 2026, Section 2210.6132, Insurance Code, is amended to read as follows:

Sec. 2210.6132. CONTINGENT SOURCE OF PAYMENT FOR CLASS 1 [~~CLASS 2 AND CLASS 3~~] PUBLIC SECURITIES. (a) The commissioner may determine, in consultation with the board and the authority, that:

(1) the authority is unable to issue Class 1 [~~Class 2 or Class 3~~] public securities to be payable under Section 2210.612 [~~Section 2210.613 or 2210.6131~~], as applicable; or

(2) the issuance of Class 1 [~~Class 2 or Class 3~~] public securities to be payable under Section 2210.612 [~~Section 2210.613 or 2210.6131~~], as applicable, is financially unreasonable for the association.

(b) If the commissioner makes a determination under Subsection (a), the commissioner shall order the Class 1 [~~Class 2 or Class 3~~] public securities, as applicable, to be paid by a premium surcharge assessed by each insurer, the association, and the Texas FAIR Plan Association on all policyholders of policies that are in effect on or after the 180th day after the date the commissioner issues the order. The premium surcharge must be set in an amount

1 sufficient to pay all debt service not already covered by available
2 funds and all related expenses on the public securities.

3 (c) The premium surcharge under this section shall be
4 assessed on all policyholders of policies that cover insured
5 property that is located in a catastrophe area, including
6 automobiles principally garaged in a catastrophe area. The premium
7 surcharge shall be assessed on each Texas windstorm and hail
8 insurance policy and each property and casualty policy, including
9 an automobile insurance policy, issued for automobiles and other
10 property located in the catastrophe area. A premium surcharge
11 under Subsection (b) applies to:

12 (1) all policies written under the following lines of
13 insurance:

- 14 (A) fire and allied lines;
15 (B) farm and ranch owners;
16 (C) residential property insurance;
17 (D) private passenger automobile liability and
18 physical damage insurance; and
19 (E) commercial automobile liability and physical
20 damage insurance; and

21 (2) the property insurance portion of a commercial
22 multiple peril insurance policy.

23 SECTION 2.13. (a) Effective January 1, 2026, Section
24 [2210.614](#), Insurance Code, is amended to read as follows:

25 Sec. 2210.614. REFINANCING PUBLIC SECURITIES. The
26 association may request the board to refinance any public
27 securities issued in accordance with Subchapters B-1 and B-2

1 ~~[Subchapter B-1]~~, whether Class 1~~[, Class 2, or Class 3]~~ public
2 securities, with public securities payable from the same sources as
3 the original public securities.

4 (b) Effective September 1, 2026, Section 2210.614,
5 Insurance Code, is amended to read as follows:

6 Sec. 2210.614. REFINANCING PUBLIC SECURITIES. The
7 association may request the board to refinance any public
8 securities issued in accordance with Subchapter B-2 ~~[Subchapter~~
9 ~~B-1]~~, whether Class 1~~[, Class 2, or Class 3]~~ public securities, with
10 public securities payable from the same sources as the original
11 public securities.

12 SECTION 2.14. Effective January 1, 2026, Sections 2210.613
13 and 2210.6131 are repealed.

14 ARTICLE 3. TRANSITION AND SAVINGS PROVISIONS

15 SECTION 3.01. Notwithstanding the repeal by this Act of
16 Subchapter B-1, Chapter 2210, Insurance Code, and other changes in
17 law made by this Act effective September 1, 2026:

18 (1) the payment of excess losses and operating
19 expenses of the Texas Windstorm Insurance Association incurred
20 before January 1, 2026, is governed by the law as it existed on the
21 effective date of this Act, and that law is continued in effect for
22 that purpose;

23 (2) the issuance of public securities to pay excess
24 losses and operating expenses of the Texas Windstorm Insurance
25 Association incurred before January 1, 2026, the use of the
26 proceeds of those securities, the repayment or refinancing of those
27 securities, and any other rights, obligations, or limitations with

1 respect to those securities and proceeds of those securities are
2 governed by the law as it existed on the effective date of this Act,
3 and that law is continued in effect for that purpose; and

4 (3) proceeds of any assessments made under Subchapter
5 B-1, Chapter 2210, Insurance Code, may not be included in reserves
6 available for a catastrophe year for purposes of Section 2210.082,
7 Insurance Code, as added by this Act, unless approved by the
8 commissioner of insurance.

9 ARTICLE 4. EFFECTIVE DATE

10 SECTION 4.01. Except as otherwise provided by this Act,
11 this Act takes effect September 1, 2025.