

BILL ANALYSIS

H.B. 3018
By: Phelan
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised about the effect of legislation recently enacted in another state with regard to access to that state's wind pool by an insurance agent who resides in Texas. Interested parties have expressed a need for reciprocity requirements by which an agent who is licensed in Texas but does not reside in Texas is prohibited from offering or selling an insurance policy under the Texas Windstorm Insurance Association Act unless the agent's state of residence allows licensed nonresident agents from Texas to act as agents for that state's residual insurer of last resort for windstorm and hail insurance. H.B. 3018 seeks to provide for such a reciprocity requirement.

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. 3018 amends the Insurance Code to require the Texas Windstorm Insurance Association's plan of operation to include a requirement that a licensed nonresident agent may not offer or sell a Texas windstorm and hail insurance policy under the Texas Windstorm Insurance Association Act unless the nonresident agent's state of residence authorizes a resident agent licensed in Texas to act in the nonresident agent's state as an agent for that state's residual insurer of last resort for windstorm and hail insurance.

EFFECTIVE DATE

January 1, 2018.