

AN ACT

relating to the operation of the Texas Windstorm Insurance Association.

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

SECTION 1. Section 2210.003, Insurance Code, is amended by amending Subdivision (1) and adding Subdivision (1-a) to read as follows:

(1) "Administrator" means an entity contractually retained to manage the association and administer the plan of operation under Section 2210.062.

(1-a) "Association" means the Texas Windstorm Insurance Association.

SECTION 2. Section 2210.014, Insurance Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) Chapter 542 does not apply to ~~[the processing and settlement of claims by]~~ the association or to an agent or representative of the association.

(c) An administrator contracted under Section 2210.062, if applicable, is an agent of the association for purposes of managing the association and administering the plan of operation under this chapter.

SECTION 3. Subchapter A, Chapter 2210, Insurance Code, is amended by adding Section 2210.015 to read as follows:

1       Sec. 2210.015. STUDY OF MARKET INCENTIVES; BIENNIAL  
2 REPORTING. (a) Each biennium, the department shall conduct a  
3 study of market incentives to promote participation in the  
4 voluntary windstorm and hail insurance market in the seacoast  
5 territory of this state. The study must address as possible  
6 incentives the mandatory or voluntary issuance of windstorm and  
7 hail insurance in conjunction with the issuance of a homeowners  
8 policy in the seacoast territory.

9       (b) The department shall include the results of the study  
10 conducted under this section in the report submitted under Section  
11 [32.022](#).

12       SECTION 4. Subchapter B, Chapter 2210, Insurance Code, is  
13 amended by adding Section 2210.062 to read as follows:

14       Sec. 2210.062. ADMINISTRATION BY CONTRACTED ADMINISTRATOR  
15 AUTHORIZED. (a) Notwithstanding any other law, if determined by  
16 the commissioner to be in the best interest of the policyholders and  
17 the public, the commissioner may contract with an administrator to  
18 manage the association and administer the plan of operation.

19       (b) The commissioner shall adopt rules as necessary to  
20 implement this section if the commissioner determines management of  
21 the association and administration of the plan of operation by an  
22 administrator is in the best interest of the policyholders and the  
23 public.

24       (c) The administrator must hold either a managing general  
25 agent license issued under Chapter 4053 or a third-party  
26 administrator certificate of authority issued under Chapter 4151.

27       SECTION 5. Subchapter B-1, Chapter 2210, Insurance Code, is

1 amended by amending Section 2210.071 and adding Section 2210.0715  
2 to read as follows:

3       Sec. 2210.071. PAYMENT OF EXCESS LOSSES [~~; PAYMENT FROM~~  
4 ~~RESERVES AND TRUST FUND~~]. [~~(a)~~] If, in a catastrophe year, an  
5 occurrence or series of occurrences in a catastrophe area results  
6 in insured losses and operating expenses of the association in  
7 excess of premium and other revenue of the association, the excess  
8 losses and operating expenses shall be paid as provided by this  
9 subchapter.

10       Sec. 2210.0715. PAYMENT FROM RESERVES AND TRUST FUND.

11 (a) [~~(b)~~] The association shall pay losses in excess of premium  
12 and other revenue of the association from available reserves of the  
13 association and available amounts in the catastrophe reserve trust  
14 fund.

15       (b) Proceeds of Class 1 public securities issued before the  
16 date of any occurrence or series of occurrences that results in  
17 insured losses may not be included in available reserves for  
18 purposes of this section.

19       ~~[(c) Losses not paid under Subsection (b) shall be paid from~~  
20 ~~the proceeds from public securities issued in accordance with this~~  
21 ~~subchapter and Subchapter M and, notwithstanding Subsection (a),~~  
22 ~~may be paid from the proceeds of public securities issued under~~  
23 ~~Section 2210.072(a) before an occurrence or series of occurrences~~  
24 ~~that results in insured losses.]~~

25       SECTION 6. Section 2210.072, Insurance Code, is amended to  
26 read as follows:

27       Sec. 2210.072. PAYMENT FROM CLASS 1 PUBLIC SECURITIES;

1 FINANCIAL INSTRUMENTS. (a) Losses not paid under Section  
2 2210.0715 [~~Section 2210.071(b)~~] shall be paid as provided by this  
3 section from the proceeds from Class 1 public securities  
4 [~~authorized to be~~] issued in accordance with Subchapter M before,  
5 on, or after the date of any occurrence or series of occurrences  
6 that results in insured losses. Public securities described by  
7 [~~issued under~~] this section must be paid [~~repaid~~] within a period  
8 not to exceed 14 years, and may be paid [~~repaid~~] sooner if the board  
9 of directors elects to do so and the commissioner approves.

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

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

15 (2) may not, in the aggregate, exceed \$500 million [~~\$1~~  
16 ~~billion~~] at any one time, regardless of the calendar year or years  
17 in which the outstanding public securities were issued.

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

19 (1) shall be issued as necessary in a principal amount  
20 not to exceed \$500 million [~~\$1 billion~~] per catastrophe year, in the  
21 aggregate, for securities issued during that catastrophe year  
22 before the occurrence or series of occurrences that results in  
23 incurred losses in that year and securities issued on or after the  
24 date of that occurrence or series of occurrences, and regardless of  
25 whether for a single occurrence or a series of occurrences; and

26 (2) subject to the [~~\$1 billion~~] maximum described by  
27 Subdivision (1), may be issued, in one or more issuances or

1 tranches, during the calendar year in which the occurrence or  
2 series of occurrences occurs or, if the public securities cannot  
3 reasonably be issued in that year, during the following calendar  
4 year.

5 (c) If public securities are issued as described by this  
6 section, the public securities shall be repaid in the manner  
7 prescribed by Subchapter M [~~from association premium revenue~~].

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

15 (e) The proceeds of any outstanding public securities  
16 described by Subsection (a) that are issued before an occurrence or  
17 series of occurrences, together with the proceeds of any  
18 outstanding Class 1 public securities issued on or before June 1,  
19 2015, shall be depleted before the proceeds of any securities  
20 issued after an occurrence or series of occurrences may be  
21 used. This subsection does not prohibit the association from  
22 issuing securities after an occurrence or series of occurrences  
23 before the proceeds of outstanding public securities issued during  
24 a previous catastrophe year have been depleted.

25 (f) If, under Subsection (e), the proceeds of any  
26 outstanding public securities issued during a previous catastrophe  
27 year, together with the proceeds of any outstanding Class 1 public

1 securities issued on or before June 1, 2015, must be depleted, those  
2 proceeds shall count against the [~~\$1 billion~~] limit on public  
3 securities described by this section in the catastrophe year in  
4 which the proceeds must be depleted.

5 SECTION 7. Subchapter B-1, Chapter 2210, Insurance Code, is  
6 amended by adding Section 2210.0725 to read as follows:

7 Sec. 2210.0725. PAYMENT FROM CLASS 1 ASSESSMENTS.

8 (a) Losses in a catastrophe year not paid under Sections 2210.0715  
9 and 2210.072 shall be paid as provided by this section from Class 1  
10 member assessments not to exceed \$500 million for that catastrophe  
11 year.

12 (b) The association, with the approval of the commissioner,  
13 shall notify each member of the amount of the member's assessment  
14 under this section. The proportion of the losses allocable to each  
15 insurer under this section shall be determined in the manner used to  
16 determine each insurer's participation in the association for the  
17 year under Section 2210.052.

18 (c) A member of the association may not recoup an assessment  
19 paid under this section through a premium surcharge or tax credit.

20 SECTION 8. Section 2210.073, Insurance Code, is amended to  
21 read as follows:

22 Sec. 2210.073. PAYMENT FROM CLASS 2 PUBLIC SECURITIES.

23 (a) Losses not paid under Sections 2210.0715, [~~2210.071 and~~]  
24 2210.072, and 2210.0725 shall be paid as provided by this section  
25 from the proceeds from Class 2 public securities authorized to be  
26 issued in accordance with Subchapter M on or after the date of any  
27 occurrence or series of occurrences that results in insured losses

1 ~~[under this subsection]~~. Public securities issued under this  
2 section must be paid ~~[repaid]~~ within a period not to exceed 10  
3 years~~[,]~~ and may be paid ~~[repaid]~~ sooner if the board of directors  
4 elects to do so and the commissioner approves.

5 (b) Public securities described by Subsection (a):

6 (1) shall ~~[may]~~ be issued as necessary in a principal  
7 amount not to exceed \$250 million ~~[\$1 billion]~~ per catastrophe  
8 year, in the aggregate, whether for a single occurrence or a series  
9 of occurrences; and

10 (2) subject to the ~~[\$1 billion]~~ maximum described by  
11 Subdivision (1), may be issued, in one or more issuances or  
12 tranches, during the calendar year in which the occurrence or  
13 series of occurrences occurs or, if the public securities cannot  
14 reasonably be issued in that year, during the following calendar  
15 year.

16 (c) If the losses are paid with public securities described  
17 by this section, the public securities shall be paid ~~[repaid]~~ in the  
18 manner prescribed by Subchapter M.

19 SECTION 9. Section [2210.074](#), Insurance Code, is amended to  
20 read as follows:

21 Sec. 2210.074. PAYMENT THROUGH CLASS 2 ASSESSMENTS ~~[3~~  
22 ~~PUBLIC SECURITIES]~~. (a) Losses in a catastrophe year not paid  
23 under Sections 2210.0715, ~~[[2210.071](#),~~ [2210.072](#), 2210.0725, and  
24 [2210.073](#) shall be paid as provided by this section from Class 2  
25 member assessments not to exceed \$250 million for that catastrophe  
26 year.

27 (b) The association, with the approval of the commissioner,

1 shall notify each member of the amount of the member's assessment  
2 under this section. The proportion of the losses allocable to each  
3 insurer under this section shall be determined in the manner used to  
4 determine each insurer's participation in the association for the  
5 year under Section 2210.052.

6 (c) A member of the association may not recoup an assessment  
7 paid under this section through a premium surcharge or tax credit  
8 ~~[proceeds from public securities authorized to be issued in~~  
9 ~~accordance with Subchapter M on or after the date of any occurrence~~  
10 ~~that results in insured losses under this subsection or through~~  
11 ~~reinsurance as described by Section 2210.075. Public securities~~  
12 ~~issued under this section must be repaid within a period not to~~  
13 ~~exceed 10 years, and may be repaid sooner if the board of directors~~  
14 ~~elects to do so and the commissioner approves.~~

15 ~~[(b) Public securities described by Subsection (a):~~

16 ~~[(1) may be issued as necessary in a principal amount~~  
17 ~~not to exceed \$500 million per catastrophe year, in the aggregate,~~  
18 ~~whether for a single occurrence or a series of occurrences, and~~

19 ~~[(2) subject to the \$500 million maximum described by~~  
20 ~~Subdivision (1), may be issued, in one or more issuances or~~  
21 ~~tranches, during the calendar year in which the occurrence or~~  
22 ~~series of occurrences occurs or, if the public securities cannot~~  
23 ~~reasonably be issued in that year, during the following calendar~~  
24 ~~year.~~

25 ~~[(c) If the losses are paid with public securities described~~  
26 ~~by this section, the public securities shall be repaid in the manner~~  
27 ~~prescribed by Subchapter M through member assessments as provided~~



1 ~~by this section. The association shall notify each member of the~~  
2 ~~association of the amount of the member's assessment under this~~  
3 ~~section. The proportion of the losses allocable to each insurer~~  
4 ~~under this section shall be determined in the manner used to~~  
5 ~~determine each insurer's participation in the association for the~~  
6 ~~year under Section 2210.052. A member of the association may not~~  
7 ~~recoup an assessment paid under this subsection through a premium~~  
8 ~~surcharge or tax credit].~~

9 SECTION 10. Subchapter B-1, Chapter 2210, Insurance Code,  
10 is amended by adding Sections 2210.0741 and 2210.0742 to read as  
11 follows:

12 Sec. 2210.0741. PAYMENT THROUGH CLASS 3 PUBLIC SECURITIES.

13 (a) Losses not paid under Sections 2210.0715, 2210.072,  
14 2210.0725, 2210.073, and 2210.074 shall be paid as provided by this  
15 section from the proceeds from Class 3 public securities authorized  
16 to be issued in accordance with Subchapter M on or after the date of  
17 any occurrence or series of occurrences that results in insured  
18 losses. Public securities issued under this section must be paid  
19 within a period not to exceed 10 years, and may be paid sooner if the  
20 board of directors elects to do so and the commissioner approves.

21 (b) Public securities described by Subsection (a):

22 (1) shall be issued as necessary in a principal amount  
23 not to exceed \$250 million per catastrophe year, in the aggregate,  
24 whether for a single occurrence or a series of occurrences; and

25 (2) subject to the maximum described by Subdivision  
26 (1), may be issued, in one or more issuances or tranches, during the  
27 calendar year in which the occurrence or series of occurrences

1 occurs or, if the public securities cannot reasonably be issued in  
2 that year, during the following calendar year.

3 (c) If the losses are paid with public securities described  
4 by this section, the public securities shall be paid in the manner  
5 prescribed by Subchapter M.

6 Sec. 2210.0742. PAYMENT FROM CLASS 3 ASSESSMENTS.

7 (a) Losses in a catastrophe year not paid under Sections  
8 2210.0715, 2210.072, 2210.0725, 2210.073, 2210.074, and 2210.0741  
9 shall be paid as provided by this section from Class 3 member  
10 assessments not to exceed \$250 million for that catastrophe year.

11 (b) The association, with the approval of the commissioner,  
12 shall notify each member of the amount of the member's assessment  
13 under this section. The proportion of the losses allocable to each  
14 insurer under this section shall be determined in the manner used to  
15 determine each insurer's participation in the association for the  
16 year under Section 2210.052.

17 (c) A member of the association may not recoup an assessment  
18 paid under this section through a premium surcharge or tax credit.

19 SECTION 11. Section 2210.075, Insurance Code, is amended to  
20 read as follows:

21 Sec. 2210.075. REINSURANCE. (a) Before any occurrence or  
22 series of occurrences, an insurer may elect to purchase reinsurance  
23 to cover an assessment for which the insurer would otherwise be  
24 liable under this subchapter [~~Section 2210.074(c)~~].

25 (b) An insurer must notify the board of directors, in the  
26 manner prescribed by the association whether the insurer will be  
27 purchasing reinsurance. If the insurer does not elect to purchase

1 reinsurance under this section, the insurer remains liable for any  
2 assessment imposed under this subchapter [~~Section 2210.074(c)~~].

3 SECTION 12. Section 2210.102, Insurance Code, is amended by  
4 amending Subsections (b), (c), (d), (e), and (f) and adding  
5 Subsection (c-1) to read as follows:

6 (b) Three [~~Four~~] members must be representatives of the  
7 insurance industry who actively write and renew windstorm and hail  
8 insurance in the first tier coastal counties.

9 (c) Three [~~Four~~] members must, as of the date of the  
10 appointment, reside in the first tier coastal counties. Each of  
11 the following regions must be represented by a member residing in  
12 the region and [~~At least one of the members~~] appointed under this  
13 subsection:

14 (1) the region consisting of Cameron, Kenedy, Kleberg,  
15 and Willacy Counties;

16 (2) the region consisting of Aransas, Calhoun, Nueces,  
17 Refugio, and San Patricio Counties; and

18 (3) the region consisting of Brazoria, Chambers,  
19 Galveston, Jefferson, and Matagorda Counties and any part of Harris  
20 County designated as a catastrophe area under Section 2210.005.

21 (c-1) One of the members appointed under Subsection (c) must  
22 be a property and casualty agent who is licensed under this code and  
23 is not a captive agent.

24 (d) Three members [~~One member~~] must reside in [~~be a~~  
25 ~~representative of~~] an area of this state that is [~~not~~] located more  
26 than 100 miles from the Texas coastline [~~in the seacoast territory~~  
27 ~~with demonstrated expertise in insurance and actuarial~~

1 ~~principles~~].

2 (e) All members must have demonstrated experience in  
3 insurance, general business, or actuarial principles and the  
4 member's area of expertise, if any, sufficient to make the success  
5 of the association probable.

6 (f) Insurers who are members of the association shall  
7 nominate, from among those members, persons to fill any vacancy in  
8 the three [~~four~~] board of director seats reserved for  
9 representatives of the insurance industry. The board of directors  
10 shall solicit nominations from the members and submit the  
11 nominations to the commissioner. The nominee slate submitted to  
12 the commissioner under this subsection must include at least three  
13 more names than the number of vacancies. The commissioner may  
14 [~~shall~~] appoint replacement insurance industry representatives  
15 from the nominee slate.

16 SECTION 13. Section [2210.103\(c\)](#), Insurance Code, is amended  
17 to read as follows:

18 (c) A member of the board of directors may be removed by the  
19 commissioner with cause stated in writing and posted on the  
20 association's website. The commissioner shall appoint a  
21 replacement in accordance with [~~the manner provided by~~] Section  
22 [2210.102](#) for a member who leaves or is removed from the board of  
23 directors.

24 SECTION 14. Section [2210.258](#), Insurance Code, is amended by  
25 amending Subsections (a) and (b) and adding Subsection (d) to read  
26 as follows:

27 (a) Except as provided by Subsections [~~Subsection~~] (c) and

1 (d) and Section 2210.2581 and notwithstanding any other provision  
2 of this chapter, to be eligible for insurance through the  
3 association, all construction, alteration, remodeling,  
4 enlargement, and repair of, or addition to, any structure located  
5 in the catastrophe area that is begun on or after the effective date  
6 of Sections 5 through 49, H.B. No. 4409, Acts of the 81st  
7 Legislature, Regular Session, 2009, must be performed in compliance  
8 with the applicable building code standards, as set forth in the  
9 plan of operation.

10 (b) Except as provided by Subsections [~~Subsection~~] (c) and  
11 (d), the association may not insure a structure described by  
12 Subsection (a) until:

13 (1) the structure has been inspected for compliance  
14 with the plan of operation in accordance with Section 2210.251(a);  
15 and

16 (2) a certificate of compliance has been issued for  
17 the structure in accordance with Section 2210.251(g).

18 (d) The association may insure a structure described by  
19 Subsection (a) for a policy term not to exceed 30 days if an  
20 inspection verification form or other inspection form adopted by  
21 the department has been issued for the structure for purposes of  
22 providing temporary coverage while an applicant seeks to secure a  
23 certificate of compliance for the structure if the structure is  
24 otherwise insurable property.

25 SECTION 15. Section 2210.2581, Insurance Code, is amended  
26 to read as follows:

27 Sec. 2210.2581. MANDATORY COMPLIANCE WITH BUILDING

1 STANDARDS; CERTAIN STRUCTURES. Except as provided by Sections  
2 [~~Section~~] 2210.251(d) and (e) and Section 2210.258(d), and  
3 notwithstanding Sections 2210.258(a), (b), and (c) [~~Section~~  
4 2210.258] or any other provision of this chapter, on and after  
5 December 31, 2015, the association may not issue or renew insurance  
6 coverage for a structure unless the structure complies with the  
7 applicable building code standards in effect on the date the  
8 construction, alteration, remodeling, enlargement, or repair of,  
9 or addition to, the structure begins, as set forth in the plan of  
10 operation.

11 SECTION 16. Section 2210.355(b), Insurance Code, is amended  
12 to read as follows:

13 (b) In adopting rates under this chapter, the following must  
14 be considered:

15 (1) the past and prospective loss experience within  
16 and outside this state of hazards for which insurance is made  
17 available through the plan of operation, if any;

18 (2) expenses of operation, including acquisition  
19 costs;

20 (3) a reasonable margin for profit and contingencies;

21 (4) payment of public security obligations [~~for Class~~  
22 ~~1 public securities~~] issued under this chapter, including the  
23 additional amount of any debt service coverage determined by the  
24 association to be required for the issuance of marketable public  
25 securities; and

26 (5) all other relevant factors, within and outside  
27 this state.

1 SECTION 17. The heading to Subchapter J, Chapter 2210,  
2 Insurance Code, is amended to read as follows:

3 SUBCHAPTER J. CATASTROPHE RESERVE TRUST FUND; ~~[AND]~~ REINSURANCE  
4 AND ALTERNATIVE RISK FINANCING ~~[PROGRAM]~~

5 SECTION 18. Section 2210.452, Insurance Code, is amended by  
6 amending Subsections (a), (c), and (d) and adding Subsection (f) to  
7 read as follows:

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

13 (1) funding ~~[to fund]~~ the obligations of the trust  
14 fund under Subchapter B-1; and

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

17 (c) At the end of each calendar year or policy year, the  
18 association shall use the net gain from operations of the  
19 association, including all premium and other revenue of the  
20 association in excess of incurred losses, operating expenses,  
21 public security obligations, and public security administrative  
22 expenses, to make payments to the trust fund, ~~[to]~~ procure  
23 reinsurance, or use alternative risk financing mechanisms, or to  
24 make payments to the trust fund and ~~[to]~~ procure reinsurance or use  
25 alternative risk financing mechanisms.

26 (d) The commissioner by rule shall establish the procedure  
27 relating to the disbursement of money from the trust fund to

1 policyholders and for association administrative expenses directly  
2 related to funding the payment of insured losses in the event of an  
3 occurrence or series of occurrences within a catastrophe area that  
4 results in a disbursement under Subchapter B-1.

5 (f) The commissioner by rule shall establish the procedure  
6 relating to the disbursement of money from the trust fund to pay for  
7 operating expenses, including reinsurance or alternative risk  
8 financing mechanisms under Section 2210.453, if the association  
9 does not have sufficient premium and other revenue.

10 SECTION 19. Subchapter J, Chapter 2210, Insurance Code, is  
11 amended by adding Section 2210.4521 to read as follows:

12 Sec. 2210.4521. INVESTMENT OF TRUST FUND BALANCES.

13 (a) The comptroller shall invest in accordance with the investment  
14 standard described by Section 404.024(j), Government Code, the  
15 portion of the trust fund balance that exceeds the amount of the  
16 sufficient balance determined under Subsection (b). The  
17 comptroller's investment of that portion of the balance is not  
18 subject to any other limitation or other requirement provided by  
19 Section 404.024, Government Code.

20 (b) At least once each 12-month period, the board of  
21 directors shall determine a balance for the trust fund that the  
22 board considers to be sufficient to meet the cash flow requirements  
23 of the fund in funding the payment of insured losses as provided by  
24 Section 2210.452(a). After determining that sufficient balance,  
25 the board shall provide notice of the sufficient balance to the  
26 comptroller.

27 (c) Not later than the 30th day after the date the board of



1 directors provides notice of the sufficient balance determined  
2 under Subsection (b), the comptroller shall adjust the investment  
3 portfolio of trust fund money to ensure that only the portion of the  
4 fund that exceeds the sufficient balance is invested as required by  
5 Subsection (a).

6 (d) The comptroller shall include the fair market value of  
7 the investment portfolio of the trust fund in calculating the  
8 amount in the fund for purposes of this chapter.

9 SECTION 20. Section 2210.453, Insurance Code, is amended to  
10 read as follows:

11 Sec. 2210.453. FUNDING LEVELS; REINSURANCE AND ALTERNATIVE  
12 RISK FINANCING MECHANISMS. (a) The association may~~+~~

13 ~~[(1) make payments into the trust fund; and~~  
14 ~~[(2)] purchase reinsurance or use alternative risk~~  
15 financing mechanisms or both as necessary.

16 (b) The association shall maintain total available loss  
17 funding in an amount not less than the probable maximum loss for the  
18 association for a catastrophe year with a probability of one in 100.  
19 If necessary, the required funding level shall be achieved through  
20 the ~~may~~ purchase of reinsurance or the use of alternative  
21 financing mechanisms, or both, to operate ~~[that operates]~~ in  
22 addition to or in concert with the trust fund, public securities,  
23 financial instruments, and assessments authorized by this chapter.

24 (c) The attachment point for reinsurance purchased under  
25 this section may not be less than the aggregate amount of all  
26 funding available to the association under Subchapter B-1. ~~[If the~~  
27 association does not purchase reinsurance as authorized by this

1 ~~section, the board, not later than June 1 of each year, shall submit~~  
2 ~~to the commissioner, the legislative oversight board established~~  
3 ~~under Subchapter N, the governor, the lieutenant governor, and the~~  
4 ~~speaker of the house of representatives a report containing an~~  
5 ~~actuarial plan for paying losses in the event of a catastrophe with~~  
6 ~~estimated damages of \$2.5 billion or more. The report required by~~  
7 ~~this subsection must:~~

8           ~~[(1) document and denominate the association's~~  
9 ~~resources available to pay claims, including cash or other highly~~  
10 ~~liquid assets, assessments that the association is projected to~~  
11 ~~impose, pre-event and post-event bonding capacity, and~~  
12 ~~private-sector recognized risk-transfer mechanisms, including~~  
13 ~~catastrophe bonds and reinsurance;~~

14           ~~[(2) include an independent, third-party appraisal of~~  
15 ~~the likelihood of an assessment, the maximum potential size of the~~  
16 ~~assessment, and an estimate of the probability that the assessment~~  
17 ~~would not be adequate to meet the association's needs; and~~

18           ~~[(3) include an analysis of financing alternatives to~~  
19 ~~assessments that includes the costs of borrowing and the~~  
20 ~~consequences that additional purchase of reinsurance, catastrophe~~  
21 ~~bonds, or other private-sector recognized risk-transfer~~  
22 ~~instruments would have in reducing the size or potential of~~  
23 ~~assessments.~~

24           ~~[(d) A person who prepares a report required by Subsection~~  
25 ~~(c) may not contract to provide any other service to the~~  
26 ~~association, except for the preparation of similar reports, before~~  
27 ~~the third anniversary of the date the last report prepared by the~~

1 ~~person under that subsection is submitted.~~

2  ~~[(c) The report submitted under this section is for~~  
3  ~~informational purposes only and does not bind the association to a~~  
4  ~~particular course of action.]~~

5 SECTION 21. Section 2210.602, Insurance Code, is amended by  
6 amending Subdivision (4) and adding Subdivisions (2-a), (3-a), and  
7 (4-a) to read as follows:

8 (2-a) "Class 1 public security trust fund" means the  
9 dedicated trust fund established by the board and held by the Texas  
10 Treasury Safekeeping Trust Company into which premium surcharges  
11 collected under Section 2210.612 for the purpose of paying Class 1  
12 public securities are deposited.

13 (3-a) "Class 2 public security trust fund" means the  
14 dedicated trust fund established by the board and held by the Texas  
15 Treasury Safekeeping Trust Company into which premium surcharges  
16 collected under Section 2210.613 for the purpose of paying Class 2  
17 public securities are deposited.

18 (4) "Class 3 public securities" means public  
19 securities authorized to be issued on or after the occurrence of a  
20 catastrophic event by Section 2210.0741 [~~2210.074~~].

21 (4-a) "Class 3 public security trust fund" means the  
22 dedicated trust fund established by the board and held by the Texas  
23 Treasury Safekeeping Trust Company into which premium surcharges  
24 collected under Section 2210.6131 for the purpose of paying Class 3  
25 public securities are deposited.

26 SECTION 22. Section 2210.609, Insurance Code, is amended to  
27 read as follows:

1           Sec. 2210.609. REPAYMENT OF ASSOCIATION'S PUBLIC SECURITY  
2 OBLIGATIONS. (a) The board and the association shall enter into  
3 an agreement under which the association shall provide for the  
4 payment of all public security obligations from available funds  
5 collected by the association and deposited as required by this  
6 subchapter [~~into the public security obligation revenue fund~~]. If  
7 the association determines that it is unable to pay the public  
8 security obligations and public security administrative expenses,  
9 if any, with available funds, the association shall pay those  
10 obligations and expenses in accordance with Sections [2210.612](#),  
11 [2210.613](#), and 2210.6131 [~~2210.6135, and 2210.6136~~] as applicable.  
12 Class 1, Class 2, or Class 3 public securities may be issued on a  
13 parity or subordinate lien basis with other Class 1, Class 2, or  
14 Class 3 public securities, respectively.

15           (b) If any public securities issued under this chapter are  
16 outstanding, the authority shall notify the association of the  
17 amount of the public security obligations and the estimated amount  
18 of public security administrative expenses, if any, each calendar  
19 year in a period sufficient, as determined by the association, to  
20 permit the association to determine the availability of funds[  
21 ~~assess members of the association under Sections [2210.613](#) and~~  
22 ~~[2210.6135](#),~~] and assess a premium surcharge if necessary.

23           (c) The association shall deposit all revenue collected  
24 under Section [2210.612](#) in the Class 1 public security trust [~~public~~  
25 ~~security obligation revenue~~] fund, all revenue collected under  
26 Section [2210.613](#) [~~2210.613(b)~~] in the Class 2 public security trust  
27 fund [~~premium surcharge trust fund~~], and all revenue collected

1 under Section 2210.6131 [~~Sections 2210.613(a) and 2210.6135~~] in the  
2 Class 3 public security [~~member assessment~~] trust fund. Money  
3 deposited in a fund may be invested as permitted by general law.  
4 Money in a fund required to be used to pay public security  
5 obligations and public security administrative expenses, if any,  
6 shall be transferred to the appropriate funds in the manner and at  
7 the time specified in the proceedings authorizing the public  
8 securities to ensure timely payment of obligations and expenses.  
9 This may include the board establishing funds and accounts with the  
10 comptroller that the board determines are necessary to administer  
11 and repay the public security obligations. If the association has  
12 not transferred amounts sufficient to pay the public security  
13 obligations to the board's designated interest and sinking fund in  
14 a timely manner, the board may direct the Texas Treasury  
15 Safekeeping Trust Company to transfer from the Class 1 public  
16 security trust [~~public security obligation revenue~~] fund, the Class  
17 2 public security [~~premium surcharge~~] trust fund, or the Class 3  
18 public security trust fund [~~member assessment trust fund~~] to the  
19 appropriate account the amount necessary to pay the public security  
20 obligation.

21 (d) The association shall provide for the payment of the  
22 public security obligations and the public security administrative  
23 expenses by irrevocably pledging revenues received from premiums,  
24 [~~member assessments,~~] premium surcharges, and amounts on deposit in  
25 the Class 1 public security trust [~~public security obligation~~  
26 ~~revenue~~] fund, the Class 2 public security [~~premium surcharge~~]  
27 trust fund, and the Class 3 public security trust fund [~~member~~

1 ~~assessment trust fund~~], together with any public security reserve  
2 fund, as provided in the proceedings authorizing the public  
3 securities and related credit agreements.

4 (e) An amount owed by the board under a credit agreement  
5 shall be payable from and secured by a pledge of revenues received  
6 by the association [~~or amounts~~] from the Class 1 public security  
7 [~~obligation~~] trust fund, the Class 2 public security [~~premium~~  
8 ~~surcharge~~] trust fund, and the Class 3 public security trust fund  
9 [~~member assessment trust fund~~] to the extent provided in the  
10 proceedings authorizing the credit agreement.

11 SECTION 23. Section 2210.610(a), Insurance Code, is amended  
12 to read as follows:

13 (a) Revenues received from the premium surcharges under  
14 Sections 2210.612, [~~Section~~] 2210.613, and 2210.6131 [~~and member~~  
15 ~~assessments under Sections 2210.613 and 2210.6135~~] may be applied  
16 only as provided by this subchapter.

17 SECTION 24. Section 2210.611, Insurance Code, is amended to  
18 read as follows:

19 Sec. 2210.611. EXCESS REVENUE COLLECTIONS AND INVESTMENT  
20 EARNINGS. Revenue collected in any calendar year from a premium  
21 surcharge under Sections 2210.612, [~~Section~~] 2210.613, and  
22 2210.6131 [~~member assessments under Sections 2210.613 and~~  
23 ~~2210.6135~~] that exceeds the amount of the public security  
24 obligations and public security administrative expenses payable in  
25 that calendar year and interest earned on the funds [~~public~~  
26 ~~security obligation fund~~] may, in the discretion of the  
27 association, be:

1           (1) used to pay public security obligations payable in  
2 the subsequent calendar year, offsetting the amount of the premium  
3 surcharge [~~and member assessments, as applicable,~~] that would  
4 otherwise be required to be levied for the year under this  
5 subchapter;

6           (2) used to redeem or purchase outstanding public  
7 securities; or

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

9           SECTION 25. Section 2210.612, Insurance Code, is amended to  
10 read as follows:

11           Sec. 2210.612. PAYMENT OF CLASS 1 PUBLIC SECURITIES.

12           (a) The association shall pay Class 1 public securities issued  
13 under Section 2210.072 from:

14                 (1) [its] net premium and other revenue; and

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

18           (b) On approval by the commissioner, the association shall  
19 assess, as provided by this section, a premium surcharge to each  
20 policyholder of a policy described by Subsection (c). The premium  
21 surcharge must be set in an amount sufficient to pay, for the  
22 duration of the issued public securities, all debt service not  
23 already covered by available funds and all related expenses on the  
24 public securities.

25           (c) The premium surcharge under this section shall be  
26 assessed on all policyholders of association policies issued under  
27 this chapter.

1        (d) A premium surcharge under this section is a separate  
2 charge in addition to the premiums collected and is not subject to  
3 premium tax or commissions. Failure by a policyholder to pay the  
4 surcharge constitutes failure to pay premium for purposes of policy  
5 cancellation.

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

13        SECTION 26. Section 2210.613, Insurance Code, is amended to  
14 read as follows:

15        Sec. 2210.613. PAYMENT OF CLASS 2 PUBLIC SECURITIES.

16        (a) The association shall pay Class 2 public securities issued  
17 under Section 2210.073 from:

18                (1) net premium and other revenue; and

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

22        (b) On approval by the commissioner, the association shall  
23 assess, as provided by this section, a premium surcharge to each  
24 policyholder of a policy described by Subsection (c). The premium  
25 surcharge must be set in an amount sufficient to pay, for the  
26 duration of the issued public securities, all debt service not  
27 already covered by available funds and all related expenses on the



1 public securities [~~as provided by this section. Thirty percent of~~  
2 ~~the cost of the public securities shall be paid through member~~  
3 ~~assessments as provided by this section. The association shall~~  
4 ~~notify each member of the association of the amount of the member's~~  
5 ~~assessment under this section. The proportion of the losses~~  
6 ~~allocable to each insurer under this section shall be determined in~~  
7 ~~the manner used to determine each insurer's participation in the~~  
8 ~~association for the year under Section 2210.052. A member of the~~  
9 ~~association may not recoup an assessment paid under this subsection~~  
10 ~~through a premium surcharge or tax credit].~~

11 [~~(b) Seventy percent of the cost of the public securities~~  
12 ~~shall be paid by a premium surcharge collected under this section in~~  
13 ~~an amount set by the commissioner. On approval by the~~  
14 ~~commissioner, each insurer, the association, and the Texas FAIR~~  
15 ~~Plan Association shall assess, as provided by this section, a~~  
16 ~~premium surcharge to each policyholder of a policy that is in effect~~  
17 ~~on or after the 180th day after the date the commissioner issues~~  
18 ~~notice of the approval of the public securities. The premium~~  
19 ~~surcharge must be set in an amount sufficient to pay, for the~~  
20 ~~duration of the issued public securities, all debt service not~~  
21 ~~already covered by available funds or member assessments and all~~  
22 ~~related expenses on the public securities.]~~

23 (c) The premium surcharge under this section [~~Subsection~~  
24 ~~(b)] shall be assessed on all policyholders of association policies~~

25 issued under this chapter [~~that cover insured property that is~~  
26 ~~located in a catastrophe area, including automobiles principally~~  
27 ~~garaged in a catastrophe area. The premium surcharge shall be~~

1 ~~assessed on each Texas windstorm and hail insurance policy and each~~  
2 ~~property and casualty insurance policy, including an automobile~~  
3 ~~insurance policy, issued for automobiles and other property located~~  
4 ~~in the catastrophe area. A premium surcharge under Subsection (b)~~  
5 ~~applies to:~~

6           ~~[(1) all policies written under the following lines of~~  
7 ~~insurance:~~

8                   ~~[(A) fire and allied lines;~~

9                   ~~[(B) farm and ranch owners;~~

10                   ~~[(C) residential property insurance;~~

11                   ~~[(D) private passenger automobile liability and~~  
12 ~~physical damage insurance; and~~

13                   ~~[(E) commercial automobile liability and~~  
14 ~~physical damage insurance; and~~

15                   ~~[(2) the property insurance portion of a commercial~~  
16 ~~multiple peril insurance policy].~~

17           (d) A premium surcharge under this section ~~[Subsection (b)]~~  
18 is a separate charge in addition to the premiums collected and is  
19 not subject to premium tax or commissions. Failure by a  
20 policyholder to pay the surcharge constitutes failure to pay  
21 premium for purposes of policy cancellation.

22           SECTION 27. Subchapter M, Chapter 2210, Insurance Code, is  
23 amended by adding Sections 2210.6131 and 2210.6132 to read as  
24 follows:

25           Sec. 2210.6131. PAYMENT OF CLASS 3 PUBLIC SECURITIES.

26           (a) The association shall pay Class 3 public securities issued  
27 under Section 2210.0741 from:

1           (1) net premium and other revenue; and

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

5           (b) On approval by the commissioner, the association shall  
6 assess, as provided by this section, a premium surcharge to each  
7 policyholder of a policy described by Subsection (c). The premium  
8 surcharge must be set in an amount sufficient to pay, for the  
9 duration of the issued public securities, all debt service not  
10 already covered by available funds and all related expenses on the  
11 public securities.

12           (c) The premium surcharge under this section shall be  
13 assessed on all policyholders of association policies issued under  
14 this chapter.

15           (d) A premium surcharge under this section is a separate  
16 charge in addition to the premiums collected and is not subject to  
17 premium tax or commissions. Failure by a policyholder to pay the  
18 surcharge constitutes failure to pay premium for purposes of policy  
19 cancellation.

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

23           (1) the authority is unable to issue Class 2 or Class 3  
24 public securities to be payable under Section 2210.613 or  
25 2210.6131, as applicable; or

26           (2) the issuance of Class 2 or Class 3 public  
27 securities to be payable under Section 2210.613 or 2210.6131, as

1 applicable, is financially unreasonable for the association.

2 (b) If the commissioner makes a determination under  
3 Subsection (a), the commissioner shall order the Class 2 or Class 3  
4 public securities, as applicable, to be paid by a premium surcharge  
5 assessed by each insurer, the association, and the Texas FAIR Plan  
6 Association on all policyholders of policies that are in effect on  
7 or after the 180th day after the date the commissioner issues the  
8 order. The premium surcharge must be set in an amount sufficient  
9 to pay all debt service not already covered by available funds and  
10 all related expenses on the public securities.

11 (c) The premium surcharge under this section shall be  
12 assessed on all policyholders of policies that cover insured  
13 property that is located in a catastrophe area, including  
14 automobiles principally garaged in a catastrophe area. The premium  
15 surcharge shall be assessed on each Texas windstorm and hail  
16 insurance policy and each property and casualty policy, including  
17 an automobile insurance policy, issued for automobiles and other  
18 property located in the catastrophe area. A premium surcharge  
19 under Subsection (b) applies to:

20 (1) all policies written under the following lines of  
21 insurance:

22 (A) fire and allied lines;

23 (B) farm and ranch owners;

24 (C) residential property insurance;

25 (D) private passenger automobile liability and  
26 physical damage insurance; and

27 (E) commercial automobile liability and physical

1 damage insurance; and

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

4 SECTION 28. Section 2210.616(a), Insurance Code, is amended  
5 to read as follows:

6 (a) The state pledges for the benefit and protection of  
7 financing parties, the board, and the association that the state  
8 will not take or permit any action that would:

9 (1) impair the collection of [~~member assessments and~~  
10 premium surcharges or the deposit of those funds into the  
11 applicable [~~member assessment trust fund or premium surcharge~~  
12 trust fund;

13 (2) reduce, alter, or impair the [~~member assessments~~  
14 ~~or~~] premium surcharges to be imposed, collected, and remitted to  
15 financing parties until the principal, interest, and premium, and  
16 any other charges incurred and contracts to be performed in  
17 connection with the related public securities, have been paid and  
18 performed in full; or

19 (3) in any way impair the rights and remedies of the  
20 public security owners until the public securities are fully  
21 discharged.

22 SECTION 29. Section 2210.6165, Insurance Code, is amended  
23 to read as follows:

24 Sec. 2210.6165. PROPERTY RIGHTS. If public securities  
25 issued under this subchapter are outstanding, the rights and  
26 interests of the association, a successor to the association, any  
27 member of the association, or any member of the Texas FAIR Plan

1 Association, including the right to impose, collect, and receive a  
2 premium surcharge [~~or a member assessment~~] authorized under this  
3 subchapter, are only contract rights until those revenues are first  
4 pledged for the repayment of the association's public security  
5 obligations as provided by Section 2210.609.

6 SECTION 30. Chapter 2210, Insurance Code, is amended by  
7 adding Subchapter O to read as follows:

8 SUBCHAPTER O. DEPOPULATION PROGRAM

9 Sec. 2210.701. DEPOPULATION PROGRAM. (a) The association  
10 shall administer, subject to commissioner approval, a depopulation  
11 program that encourages the transfer of association policies to  
12 insurers through the voluntary market or assumption reinsurance.

13 (b) An insurer engaged in the business of property and  
14 casualty insurance in this state may elect to participate in the  
15 depopulation program.

16 Sec. 2210.702. ASSUMPTION REINSURANCE DEPOPULATION.

17 (a) The association shall make available to insurers who elect to  
18 participate in the depopulation program association policy  
19 information necessary for the insurers to determine whether to  
20 reinsure a policy ceded to the insurer by the association. The  
21 commissioner shall by rule establish the information that is  
22 necessary to provide to an insurer under this subsection.

23 (b) If an insurer elects to reinsure a policy under this  
24 section, the reinsurance must be provided as assumption reinsurance  
25 by novation and the insurer is legally and contractually  
26 responsible for the association policy ceded to the insurer on the  
27 effective date of the reinsurance agreement regardless of whether

1 the association continues to provide some services on the policy.  
2 The association is not liable under the policy on and after the  
3 effective date of the assumption reinsurance agreement. Except as  
4 specifically provided in an agreement between the association and  
5 the insurer, the insurer shall administer the policy and process,  
6 adjust, and pay claims in accordance with the policy.

7 (c) If an insurer elects to provide reinsurance under this  
8 section, the insurer shall comply with the applicable provisions of  
9 Chapters 202 and 493.

10 Sec. 2210.703. RENEWAL OF REINSURED POLICIES; COMPARABLE  
11 COVERAGE. (a) An insurer electing to offer a policy under Section  
12 2210.702 shall offer a renewal of that policy to the association  
13 policyholder for each of the next three years subject to the  
14 insurer's rate and underwriting guidelines as filed under this  
15 code.

16 (b) An insurer may not offer a policy to an association  
17 policyholder under this section unless the policy contains  
18 generally comparable coverage and premiums to the association  
19 policy as determined by commissioner rule. The premiums for a  
20 policy of generally comparable coverage may not exceed 115 percent  
21 of the premiums for the association policy.

22 (c) Subchapter L-1 does not apply to a policy renewed under  
23 this section.

24 Sec. 2210.704. CONFIDENTIALITY OF INFORMATION; USE OF  
25 POLICYHOLDER'S AGENT. (a) An insurer may use information  
26 concerning a specific policy or insured provided by the association  
27 under Section 2210.702(a) only for the purposes of this subchapter

1 and may not use or disclose the information for any other purpose.

2 (b) If an insurer elects to renew a policy for an  
3 association policyholder identified from information provided to  
4 the insurer under Section 2210.702, the insurer must offer the  
5 policy through the insurance agent of record for the association  
6 policyholder under the prevailing terms, conditions, and  
7 commissions of the agent.

8 (c) An insurer that offers to renew a policy under Section  
9 2210.703 shall allow the policyholder's agent to enter into a  
10 limited service agreement with the insurer for the agent to  
11 continue to provide services to the policyholder.

12 Sec. 2210.705. TRANSFER OF POLICIES. The commissioner  
13 shall by rule establish the procedure for the transfer of reinsured  
14 policies. The rule must provide that a reinsurance agreement  
15 include:

16 (1) an offer commencement date of December 1;

17 (2) the opportunity for the policyholder to opt out of  
18 the reinsurance agreement on or before May 31;

19 (3) a transfer of the earned premium on a reinsured  
20 policy to a trust account to be held until the expiration of the  
21 opt-out period described by Subdivision (2) when the earned premium  
22 for the final reinsured policy will be transferred to the  
23 reinsurer;

24 (4) a period of not less than 60 days for the agent of  
25 record to accept an appointment or other written agreement with the  
26 reinsurer; and

27 (5) any other requirements as the commissioner



1 determines necessary for the protection of policyholders and the  
2 policyholders' agents.

3 SECTION 31. The following provisions of the Insurance Code  
4 are repealed:

- 5 (1) Sections 2210.102(g) and (h);
- 6 (2) Sections 2210.602(5-a), (6), (6-b), (6-c), and  
7 (10);
- 8 (3) Section 2210.605(c); and
- 9 (4) Sections 2210.6135 and 2210.6136.

10 SECTION 32. (a) The board of directors of the Texas  
11 Windstorm Insurance Association established under Section  
12 2210.102, Insurance Code, as that section existed before amendment  
13 by this Act, is abolished effective October 1, 2015.

14 (b) The commissioner shall appoint the members of the board  
15 of directors of the Texas Windstorm Insurance Association under  
16 Section 2210.102, Insurance Code, as amended by this Act, effective  
17 October 1, 2015. The initial directors shall draw lots to achieve  
18 staggered terms, with three of the directors serving one-year  
19 terms, three of the directors serving two-year terms, and three of  
20 the directors serving three-year terms.

21 (c) The term of a person who is serving as a member of the  
22 board of directors of the Texas Windstorm Insurance Association  
23 immediately before the abolition of that board under Subsection (a)  
24 of this section expires on October 1, 2015. Such a person is  
25 eligible for appointment by the commissioner to the new board of  
26 directors of the Texas Windstorm Insurance Association under  
27 Section 2210.102, Insurance Code, as amended by this Act.

1           (d) It is the intent of the legislature that each member of  
2 the legislative oversight board appointed under Section 2210.652,  
3 Insurance Code, and serving on the effective date of this Act  
4 continues to serve after the effective date of this Act until a  
5 successor is appointed under that section.

6           SECTION 33. Subchapter M, Chapter 2210, Insurance Code, as  
7 it existed before the effective date of this Act, is applicable to  
8 bond obligations incurred under Chapter 2210, Insurance Code,  
9 before the effective date of this Act, and that law is continued in  
10 effect for that purpose.

11           SECTION 34. As soon as practicable after the effective date  
12 of this Act, the board of directors of the Texas Windstorm Insurance  
13 Association shall propose amendments to the plan of operation of  
14 the association and the commissioner of insurance shall adopt rules  
15 to implement Subchapter O, Chapter 2210, Insurance Code, as added  
16 by this Act.

17           SECTION 35. This Act takes effect immediately if it  
18 receives a vote of two-thirds of all the members elected to each  
19 house, as provided by Section 39, Article III, Texas Constitution.  
20 If this Act does not receive the vote necessary for immediate  
21 effect, this Act takes effect September 1, 2015.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 900 passed the Senate on April 27, 2015, by the following vote: Yeas 22, Nays 8; and that the Senate concurred in House amendments on May 28, 2015, by the following vote: Yeas 24, Nays 7.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 900 passed the House, with amendments, on May 25, 2015, by the following vote: Yeas 97, Nays 44, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor