

BILL ANALYSIS

H.B. 2920
By: Lozano
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas Windstorm Insurance Association (TWIA) has recently implemented a new policy renewal process in which TWIA sends renewal offers to policyholders and their mortgage companies directly. Before the implementation of the new process, these policy renewal applications were processed by the policyholder's agent. Some agents have expressed concerns that a policyholder's lack of familiarity with the new process and the approved mailing methods for submitting policy payments may result in unintended lapses in coverage. Additionally, there is the possibility that unforeseen and unavoidable circumstances could delay mail delivery until after the policy's effective date. H.B. 2920 seeks to mitigate lapses in coverage that could result from policyholders' lack of familiarity with newly adopted mailing methods by authorizing the commissioner of insurance to adopt rules establishing a grace period for the policy renewal process.

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 rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 of this bill.

ANALYSIS

H.B. 2920 amends the Insurance Code to require the commissioner of insurance, not later than June 1, 2022, and with the advice of the Texas Windstorm Insurance Association (TWIA), to adopt rules establishing a grace period of not more than 10 days after the due date for the receipt of payment of premium for the renewal of a TWIA policy.

EFFECTIVE DATE

September 1, 2021.