

AN ACT

relating to the refund of premiums on the cancellation of Texas  
Windstorm Insurance Association policies by insureds.

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

SECTION 1. Section 2210.204, Insurance Code, is amended by  
amending Subsections (d) and (e) and adding Subsections (d-1),  
(d-2), and (d-3) to read as follows:

(d) If an insured requests cancellation of the insurance  
coverage, the association shall refund the unearned premium only if  
the cancellation was for one of the following reasons:

(1) the purchase of similar coverage in the voluntary  
market;

(2) sale of the insured property to an unrelated  
party;

(3) total loss of the insured property; or

(4) a determination by the association that the  
insured property is no longer insurable under the association's  
rules and procedures~~[, less any minimum retained premium set forth~~  
~~in the plan of operation, payable to the insured and the holder of~~  
~~an unpaid balance].~~

(d-1) The property and casualty agent who received a  
commission as the result of the issuance of an association policy  
providing the ~~[canceled]~~ coverage canceled under Subsection (d)  
shall refund the agent's commission on any unearned premium in the

1 same manner.

2 (d-2) An insured must provide proof in the form and manner  
3 prescribed by the association of a cancellation reason described by  
4 Subsection (d)(1), (2), or (3) to be eligible for a refund under  
5 that subsection.

6 (d-3) If an insured requests cancellation for a reason other  
7 than a reason described by Subsection (d) or fails to provide proof  
8 under Subsection (d-2), the insured's premium is considered earned  
9 and is not refundable.

10 (e) For cancellation of insurance coverage under this  
11 section, the minimum retained premium in the plan of operation must  
12 be for a period of not less than the full annual policy term [~~90~~  
13 ~~days~~], except for events specified in the plan of operation that  
14 reflect a significant change in the exposure or the policyholder  
15 concerning the insured property, including:

16 (1) the purchase of similar coverage in the voluntary  
17 market;

18 (2) sale of the property to an unrelated party;

19 (3) death of the policyholder; or

20 (4) total loss of the property.

21 SECTION 2. The change in law made by this Act applies only  
22 to a Texas windstorm and hail insurance policy that is delivered,  
23 issued for delivery, or renewed by the Texas Windstorm Insurance  
24 Association on or after the effective date of this Act. A policy  
25 delivered, issued for delivery, or renewed before the effective  
26 date of this Act is governed by the law as it existed immediately  
27 before that date, and that law is continued in effect for that

1 purpose.

2 SECTION 3. This Act takes effect September 1, 2023.

---

President of the Senate

---

Speaker of the House

I certify that H.B. No. 3208 was passed by the House on May 6, 2023, by the following vote: Yeas 117, Nays 17, 2 present, not voting.

---

Chief Clerk of the House

I certify that H.B. No. 3208 was passed by the Senate on May 19, 2023, by the following vote: Yeas 26, Nays 5.

---

Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

---

Governor