

**SUBCHAPTER E. TEXAS WINDSTORM INSURANCE ASSOCIATION  
DIVISION 10. ELIGIBILITY AND FORMS  
28 TAC §5.4906**

**INTRODUCTION.** The Commissioner of Insurance adopts new 28 TAC §5.4906, concerning the renewal premium grace period of the Texas Windstorm Insurance Association (TWIA). The new section is adopted without changes to the proposed text published in the January 28, 2022, issue of the *Texas Register* (47 TexReg 248).

**REASONED JUSTIFICATION.** House Bill 2920, 87th Legislature, 2021, requires the Texas Department of Insurance (TDI) to adopt rules to establish 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 policy.

**Section 5.4906.** Section 5.4906(a) establishes a premium payment grace period for TWIA policy renewals. Section 5.4906(b) provides that the grace period applies to certain premium surcharge payments made by TWIA policyholders under Insurance Code §2210.259 or §2210.6132. The surcharges are included to give effect to the grace period required by HB 2920 because these surcharges are part of the payment a policyholder must make to TWIA at renewal.

**SUMMARY OF COMMENTS.** TDI did not receive any comments on the proposed new section.

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28 TAC §5.4906.**

**STATUTORY AUTHORITY.** The Commissioner adopts new 28 TAC §5.4906 under Insurance Code §§2210.008, 2210.203(c-1), and 36.001.

Insurance Code §2210.008 provides that the Commissioner may adopt rules as reasonable and necessary to implement Chapter 2210.

Insurance Code §2210.203(c-1) requires TDI 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 policy.

Insurance Code §36.001 provides that the Commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

**TEXT.**

**§5.4906. Renewal Premium Grace Period.**

(a) Grace period. The premium payment for policy renewal is considered timely if the Association receives it within 10 calendar days after the due date.

(b) Applicability of the grace period to certain premium surcharges. The grace period described in subsection (a) of this section applies to a premium surcharge payment by an Association policyholder under Insurance Code §2210.259, concerning Surcharge for Certain Noncompliant Structures, or §2210.6132, concerning Contingent Source of Payment for Class 2 and Class 3 Public Securities.

**CERTIFICATION.** This agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

# 2022-7264

TITLE 28. INSURANCE  
Part I. Texas Department of Insurance  
Chapter 5. Property and Casualty Insurance

Adopted Section  
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Issued at Austin, Texas, on March 11, 2022.

DocuSigned by:

*James Person*

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James Person, General Counsel  
Texas Department of Insurance

The Commissioner adopts new 28 TAC §5.4906.

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*C. Brown*

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Cassie Brown  
Commissioner of Insurance

Commissioner's Order No. **2022-7264**