

SUBCHAPTER E. TEXAS WINDSTORM INSURANCE ASSOCIATION RULES
28 TAC §5.4131 and §5.4132

1. INTRODUCTION. The commissioner of insurance adopts the repeal of 28 TAC §5.4131, Issuance of Public Securities, and the repeal of 28 TAC §5.4132, Texas Public Finance Authority Responsibility Concerning Issuance of Public Securities. The repeals are adopted without change to the proposals published in the February 14, 2014, issue of the *Texas Register* (39 TexReg 885). The repeals are related to a separate rule adoption published in this issue of the *Texas Register* concerning the association's loss funding and issuance of public securities.

2. REASONED JUSTIFICATION. Repeal of §5.4131, Issuance of Public Securities, is necessary to implement HB 3, 82nd Legislature, 1st Called Session, 2011. Section 11 of HB 3 amended Insurance Code §2210.072 to authorize the Texas Public Finance Authority to issue class 1 public securities prior to a catastrophe. Section 52 of HB 3 added Insurance Code §2210.6136, to authorize the issuance of class 2 and 3 public securities if the Texas Public Finance Authority cannot issue all or any portion of class 1 public securities. Section 5.4131 is outdated because it does not address either of the new circumstances added by HB 3 that authorize issuance of public securities. Repeal of §5.4132, Texas Public Finance Authority Responsibility Concerning Issuance of Public Securities, is necessary because the section does not establish any responsibilities for the Texas Public Finance Authority, but simply restates the statutory obligations of Insurance Code, Chapter 2210, Subchapter M.

3. HOW THE SECTIONS WILL FUNCTION. Adoption of the proposed repeals will eliminate out-of-date rule provisions and redundant rule language that do not implement HB 3. Repeal of the sections will also facilitate reorganization of Loss Funding rules.

4. SUMMARY OF COMMENTS AND AGENCY RESPONSE. TDI received no comments on the published proposal.

5. STATUTORY AUTHORITY. Insurance Code §36.001 provides that the commissioner of insurance may adopt any rules necessary and appropriate to implement the powers and duties of the department under the Insurance Code and other laws of this state. Insurance Code §2210.008 provides that the commissioner may issue orders and adopt rules in the manner prescribed by Insurance Code §36.001, as reasonable and necessary to implement Chapter 2210.

6. TEXT.

**SUBCHAPTER E. TEXAS WINDSTORM INSURANCE ASSOCIATION
RULES**

28 TAC §5.4131. Issuance of Public Securities

28 TAC §5.4132. Texas Public Finance Authority Responsibilities Concerning Issuance of Public Securities

3299

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

Adopted Sections
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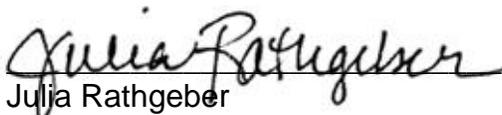
CERTIFICATION. This agency certifies that legal counsel has reviewed the adopted repeal and found it to be a valid exercise of the agency's legal authority.

Issued at Austin, Texas, on May 16, 2014.



Sara Waitt
General Counsel
Texas Department of Insurance

The commissioner adopts the repeal of 28 TAC §§5.4131 and 5.4132.



Julia Rathgeber
Commissioner of Insurance

COMMISSIONER'S ORDER NO. **3299**