

Informal draft and request for comments on TWIA catastrophe reserve trust fund rule
Texas Administrative Code, Title 28, Chapter 5, Subchapter E, Sections 5.4111 – 5.4114

Posting date: April 26, 2018
Comments due: May 11, 2018

The Texas Department of Insurance seeks public comments on an informal draft of updates to rules affecting the Texas Windstorm Insurance Association's (TWIA) catastrophe reserve trust fund. The updates describe a process for disbursements from the fund to pay for operating expenses, including reinsurance and alternative risk financing mechanisms, when TWIA does not have sufficient premium and other revenue to pay the operating expenses. The updates would implement Senate Bill 900 from the 2015 Texas Legislature.

The draft updates also conform the catastrophe reserve trust fund rules to changes SB 900 made to TWIA's funding structure and the standards for investing funds and consolidate text. The updates would not directly affect TWIA's rates.

TDI invites your input on these draft rules. In particular, TDI invites comments on whether a disbursement from the catastrophe reserve trust fund to pay for reinsurance and alternative risk financing mechanisms must be limited to the amount necessary to reach the minimum funding level required in the Texas Insurance Code, Section 2210.453. The alternative is to permit the disbursement of an amount that would allow TWIA to exceed the minimum required funding level.

This is an informal posting intended to gather comments and is not a formal publication for rulemaking.

You may submit comments to Brian Ryder in the Property and Casualty Actuarial Office at Brian.Ryder@tdi.texas.gov. The deadline is 5 p.m., Central time, May 11, 2018. For more information, call Brian Ryder at 512-676-6709.

[Draft of TWIA catastrophe reserve trust fund rule](#)