

By: Middleton, Menéndez

S.B. No. 796

A BILL TO BE ENTITLED

AN ACT

relating to arbitration provisions in surplus lines insurance contracts.

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

SECTION 1. Section 981.101, Insurance Code, is amended by adding Subsection (d) to read as follows:

(d) An arbitration under a surplus lines insurance contract that is related to a risk located entirely in this state must be conducted in this state, and the arbitration agreement in the insurance contract must be interpreted in accordance with the laws of this state. This subsection applies to an arbitration under a surplus lines insurance contract entered into in or outside of this state.

SECTION 2. Section 981.101(d), Insurance Code, as added by this Act, applies only to a surplus lines insurance contract delivered, issued for delivery, or renewed on or after January 1, 2024.

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