

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 insurance contract, including the arbitration agreement, must be interpreted in accordance with the laws of this state. This subsection may not be construed as a defense to the enforcement of:

(1) an arbitration agreement that complies with or has been reformed to comply with this subsection; or

(2) an award made under an agreement described by Subdivision (1).

SECTION 2. Section 981.101(d), Insurance Code, as added by this Act, applies only to an arbitration commenced on or after the effective date of this Act.

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 796 passed the Senate on March 30, 2023, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 25, 2023, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 796 passed the House, with amendments, on May 19, 2023, by the following vote: Yeas 136, Nays 3, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor