

By: Haggerty

H.B. No. 1553

A BILL TO BE ENTITLED

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

AN ACT

relating to the financial security requirements of certain issuers of reimbursement insurance policies for service contract providers.

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

SECTION 1. Section 1304.002, Occupations Code, is amended by adding Subdivision (5-a) to read as follows:

(5-a) "Executive director" means the executive director of the department.

SECTION 2. Section 1304.152, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) An insurer or other person, regardless of form of organization or place of domicile, may not issue a reimbursement insurance policy under Section 1304.151(a)(1) in this state unless the insurer or person first provides the executive director with audited financial statements demonstrating that the issuing insurer or person maintains capital and surplus of at least \$25 million. The insurer or person shall provide this information to the executive director at least once every two years.

SECTION 3. This Act applies only to a reimbursement insurance policy that is delivered or issued for delivery on or after the effective date of this Act. A policy that is delivered or issued for delivery before the effective date of this Act is governed by the law as it existed immediately before that date, and

1 that law is continued in effect for that purpose.

2 SECTION 4. This Act takes effect June 1, 2003, if it  
3 receives a vote of two-thirds of all the members elected to each  
4 house, as provided by Section 39, Article III, Texas Constitution.  
5 If this Act does not receive the vote necessary for effect on that  
6 date, this Act takes effect September 1, 2003.