

## **BILL ANALYSIS**

H.B. 2870  
By: Smithee  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current law, Article 5.13 of the Insurance Code state that Subchapter B of Chapter 5 applies to the writing of fidelity, surety, and guaranty bonds. When Article 5.13-2 was amended regarding the regulation of rates and forms for bonds, guaranty bonds were omitted.

HB 2870 adds guaranty bonds to the lines of insurance subject to Article 5.13-2 of the Insurance Code.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1: Section 2 (a) (5), Article 5.13-2 of the Insurance Code is amended to include guaranty bonds in the list of types of insurance to which the article applies.

SECTION 2: Prospective application

SECTION 3: Effective date

### **EFFECTIVE DATE**

September 1, 2005. The Act applies beginning with January 1, 2006.