

AN ACT

relating to the applicability of certain insurance laws to Lloyd's plans and reciprocal and interinsurance exchanges.

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

SECTION 1. Section 38.001(b), Insurance Code, is amended to read as follows:

(b) The department may address a reasonable inquiry to any ~~an~~ insurance company, including a Lloyd's plan or reciprocal or interinsurance exchange, or an agent~~[-]~~ or other holder of an authorization relating to:

(1) the person's business condition; or

(2) any matter connected with the person's transactions that the department considers necessary for the public good or for the proper discharge of the department's duties.

SECTION 2. Section 941.003(b), Insurance Code, is amended to read as follows:

(b) A Lloyd's plan is subject to:

(1) Section 5, Article 1.10;

(2) Article 1.15A;

(3) Subchapters A, Q, T, and U, Chapter 5;

(4) Articles 5.35, 5.38, 5.39, and 5.40~~[- and 5.49]~~;

(5) Article ~~[Articles 21.21 and]~~ 21.49-8;

(6) Sections 822.203, 822.205, 822.210, and 822.212;

~~and]~~

- (7) Article 5.13-2, as provided by that article;
- (8) Chapters 251, 252, and 541; and
- (9) Section 38.001.

SECTION 3. Section 942.003(b), Insurance Code, is amended to read as follows:

(b) An exchange is subject to:

- (1) Section 5, Article 1.10;
- (2) Articles 1.15, 1.15A, and 1.16;
- (3) Subchapters A, Q, T, and U, Chapter 5;
- (4) Articles 5.35, 5.37, 5.38, 5.39, and 5.40;
- (5) Article [~~Articles 21.21 and~~] 21.49-8;
- (6) Sections 822.203, 822.205, 822.210, 822.212, 861.254(a)-(f), 861.255, 862.001(b), and 862.003; [~~and~~]
- (7) Article 5.13-2, as provided by that article;
- (8) Chapter 541; and
- (9) Section 38.001.

SECTION 4. Subchapter A, Chapter 551, Insurance Code, is amended by adding Section 551.004 to read as follows:

Sec. 551.004. TRANSFER NOT CONSIDERED A REFUSAL TO RENEW. For purposes of this chapter and Articles 5.06-1 and 5.06-3 of this code, the transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

SECTION 5. Section 551.056, Insurance Code, is repealed.

SECTION 6. The change in law made by Section 38.001, Insurance Code, as amended by this Act, applies only to an inquiry made by the Texas Department of Insurance on or after the effective

1 date of this Act. An inquiry made by the Texas Department of
2 Insurance before the effective date of this Act is covered by the
3 law in effect at the time the inquiry is made, and that law is
4 continued in effect for that purpose.

5 SECTION 7. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 2614 was passed by the House on April 22, 2005, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 2614 on May 26, 2005, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 2614 was passed by the Senate, with amendments, on May 20, 2005, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor