

1-1 By: Eiland (Senate Sponsor - Lucio) H.B. No. 2614
1-2 (In the Senate - Received from the House April 25, 2005;
1-3 April 26, 2005, read first time and referred to Committee on
1-4 Business and Commerce; May 16, 2005, reported adversely, with
1-5 favorable Committee Substitute by the following vote: Yeas 7,
1-6 Nays 0; May 16, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2614 By: Lucio

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the applicability of certain insurance laws to Lloyd's
1-11 plans and reciprocal and interinsurance exchanges.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 38.001(b), Insurance Code, is amended to
1-14 read as follows:

1-15 (b) The department may address a reasonable inquiry to any
1-16 ~~[an]~~ insurance company, including a Lloyd's plan or reciprocal or
1-17 interinsurance exchange, or an agent~~[7]~~ or other holder of an
1-18 authorization relating to:

1-19 (1) the person's business condition; or

1-20 (2) any matter connected with the person's
1-21 transactions that the department considers necessary for the public
1-22 good or for the proper discharge of the department's duties.

1-23 SECTION 2. Section 941.003(b), Insurance Code, is amended
1-24 to read as follows:

1-25 (b) A Lloyd's plan is subject to:

1-26 (1) Section 5, Article 1.10;

1-27 (2) Article 1.15A;

1-28 (3) Subchapters A, Q, T, and U, Chapter 5;

1-29 (4) Articles 5.35, 5.38, 5.39, and 5.40~~[, and 5.49]~~;

1-30 (5) Article [Articles 21.21 and] 21.49-8;

1-31 (6) Sections 822.203, 822.205, 822.210, and 822.212;

1-32 ~~[and]~~

1-33 (7) Article 5.13-2, as provided by that article;

1-34 (8) Chapters 251, 252, and 541; and

1-35 (9) Section 38.001.

1-36 SECTION 3. Section 942.003(b), Insurance Code, is amended
1-37 to read as follows:

1-38 (b) An exchange is subject to:

1-39 (1) Section 5, Article 1.10;

1-40 (2) Articles 1.15, 1.15A, and 1.16;

1-41 (3) Subchapters A, Q, T, and U, Chapter 5;

1-42 (4) Articles 5.35, 5.37, 5.38, 5.39, and 5.40;

1-43 (5) Article [Articles 21.21 and] 21.49-8;

1-44 (6) Sections 822.203, 822.205, 822.210, 822.212,

1-45 861.254(a)-(f), 861.255, 862.001(b), and 862.003; ~~[and]~~

1-46 (7) Article 5.13-2, as provided by that article;

1-47 (8) Chapter 541; and

1-48 (9) Section 38.001.

1-49 SECTION 4. Subchapter A, Chapter 551, Insurance Code, is
1-50 amended by adding new Section 551.004 to read as follows:

1-51 Sec. 551.004. TRANSFER NOT CONSIDERED A REFUSAL TO RENEW.

1-52 For purposes of this chapter and Articles 5.06-1 and 5.06-3 of this

1-53 code, the transfer of a policyholder between admitted companies

1-54 within the same insurance group is not considered a refusal to

1-55 renew.

1-56 SECTION 5. Section 551.056, Insurance Code, is repealed.

1-57 SECTION 6. The change in law made by Section 38.001,
1-58 Insurance Code, as amended by this Act, applies only to an inquiry
1-59 made by the Texas Department of Insurance on or after the effective
1-60 date of this Act. An inquiry made by the Texas Department of
1-61 Insurance before the effective date of this Act is covered by the
1-62 law in effect at the time the inquiry is made, and that law is
1-63 continued in effect for that purpose.

2-1 SECTION 7. This Act takes effect September 1, 2005.

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