

By: Smithee

H.B. No. 2870

A BILL TO BE ENTITLED

AN ACT

relating to regulation of rates and forms used to write guaranty bonds.

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

SECTION 1. Section 2(a), Article 5.13-2, Insurance Code, is amended to read as follows:

(a) This article applies to all lines of the following insurance written under policies or contracts of insurance issued by an insurer authorized to engage in the business of insurance in this state:

(1) general liability insurance;

(2) residential and commercial property insurance, including farm and ranch insurance and farm and ranch owners insurance;

(3) personal and commercial casualty insurance, except as provided by Subsection (b) of this section;

(4) medical professional liability insurance;

(5) fidelity, guaranty, and surety bonds other than criminal court appearance bonds;

(6) personal umbrella insurance;

(7) personal liability insurance;

(8) guaranteed auto protection (GAP) insurance;

(9) involuntary unemployment insurance;

(10) financial guaranty insurance;

- (11) inland marine insurance;
- (12) rain insurance;
- (13) hail insurance on farm crops; and
- (14) personal and commercial automobile insurance.

SECTION 2. The change in law made by this Act applies to a guaranty bond delivered, issued for delivery, or renewed on or after January 1, 2006. A guaranty bond issued before that date is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2005.