

1-1 By: Smithee (Senate Sponsor - Eltife) H.B. No. 2870  
1-2 (In the Senate - Received from the House April 18, 2005;  
1-3 April 19, 2005, read first time and referred to Committee on  
1-4 Business and Commerce; April 28, 2005, reported favorably by the  
1-5 following vote: Yeas 8, Nays 0; April 28, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to regulation of rates and forms used to write guaranty  
1-9 bonds.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 2(a), Article 5.13-2, Insurance Code, is  
1-12 amended to read as follows:

1-13 (a) This article applies to all lines of the following  
1-14 insurance written under policies or contracts of insurance issued  
1-15 by an insurer authorized to engage in the business of insurance in  
1-16 this state:

1-17 (1) general liability insurance;

1-18 (2) residential and commercial property insurance,  
1-19 including farm and ranch insurance and farm and ranch owners  
1-20 insurance;

1-21 (3) personal and commercial casualty insurance,  
1-22 except as provided by Subsection (b) of this section;

1-23 (4) medical professional liability insurance;

1-24 (5) fidelity, guaranty, and surety bonds other than  
1-25 criminal court appearance bonds;

1-26 (6) personal umbrella insurance;

1-27 (7) personal liability insurance;

1-28 (8) guaranteed auto protection (GAP) insurance;

1-29 (9) involuntary unemployment insurance;

1-30 (10) financial guaranty insurance;

1-31 (11) inland marine insurance;

1-32 (12) rain insurance;

1-33 (13) hail insurance on farm crops; and

1-34 (14) personal and commercial automobile insurance.

1-35 SECTION 2. The change in law made by this Act applies to a  
1-36 guaranty bond delivered, issued for delivery, or renewed on or  
1-37 after January 1, 2006. A guaranty bond issued before that date is  
1-38 governed by the law in effect immediately before the effective date  
1-39 of this Act, and that law is continued in effect for that purpose.

1-40 SECTION 3. This Act takes effect September 1, 2005.

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