

By: Barrientos

S.B. No. 1214

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of certain counties to select an  
3 insurance broker.

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

5 SECTION 1. Subchapter C, Chapter 262, Local Government  
6 Code, is amended by adding Section 262.036 to read as follows:

7 Sec. 262.036. SELECTION OF INSURANCE BROKER.

8 (a) Notwithstanding any other provision in this chapter, a county  
9 with a population of 800,000 or more may select an appropriately  
10 licensed insurance agent as the sole broker of record to obtain  
11 proposals and coverages for insurance that provides necessary  
12 coverage and adequate limits of coverage in all areas of risk,  
13 including public official liability, property, casualty, workers'  
14 compensation, and specific and aggregate stop-loss coverage for  
15 self-funded health care.

16 (b) The broker may be retained only on a fee basis paid by  
17 the county and may not directly, or indirectly, receive any other  
18 remuneration, compensation, or payment of any type from any other  
19 source for the placement of insurance business under the broker of  
20 record contract.

21 (c) The broker may not submit any insurance carrier proposal  
22 to the county, or direct any county insurance business to any  
23 carrier, if the broker has a business relationship or proposed  
24 business relationship with the carrier, including an appointment,

1 unless the broker discloses in writing to the county the full nature  
2 of the relationship, including all written and oral contracts and  
3 proposals, prior to the earlier of the county's review of any  
4 insurance proposals provided by the broker or the direction of any  
5 county insurance business to the carrier.

6 (d) A broker violating this section is subject to any  
7 disciplinary remedy, including license revocation or fine,  
8 available under Chapter 82, Insurance Code, and Section 4005.102,  
9 Insurance Code.

10 SECTION 2. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2005.