

1-1 By: Barrientos S.B. No. 1214  
1-2 (In the Senate - Filed March 9, 2005; March 21, 2005, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; April 22, 2005, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;  
1-6 April 22, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1214 By: Deuell

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

1-10 relating to the authority of certain counties to select an  
1-11 insurance broker.

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

1-13 SECTION 1. Subchapter C, Chapter 262, Local Government  
1-14 Code, is amended by adding Section 262.036 to read as follows:

1-15 Sec. 262.036. SELECTION OF INSURANCE BROKER.

1-16 (a) Notwithstanding any other provision in this chapter, a county  
1-17 with a population of 800,000 or more may select an appropriately  
1-18 licensed insurance agent as the sole broker of record to obtain  
1-19 proposals and coverages for insurance that provides necessary  
1-20 coverage and adequate limits of coverage in all areas of risk,  
1-21 including public official liability, property, casualty, workers'  
1-22 compensation, and specific and aggregate stop-loss coverage for  
1-23 self-funded health care.

1-24 (b) The broker may be retained only on a fee basis paid by  
1-25 the county and may not directly, or indirectly, receive any other  
1-26 remuneration, compensation, or payment of any type from any other  
1-27 source for the placement of insurance business under the broker of  
1-28 record contract.

1-29 (c) The broker may not submit any insurance carrier proposal  
1-30 to the county, or direct any county insurance business to any  
1-31 carrier, if the broker has a business relationship or proposed  
1-32 business relationship with the carrier, including an appointment,  
1-33 unless the broker discloses in writing to the county the full nature  
1-34 of the relationship, including all written and oral contracts and  
1-35 proposals, prior to the earlier of the county's review of any  
1-36 insurance proposals provided by the broker or the direction of any  
1-37 county insurance business to the carrier.

1-38 (d) A broker violating this section is subject to any  
1-39 disciplinary remedy, including license revocation or fine,  
1-40 available under Chapter 82, Insurance Code, and Section 4005.102,  
1-41 Insurance Code.

1-42 SECTION 2. This Act takes effect immediately if it receives  
1-43 a vote of two-thirds of all the members elected to each house, as  
1-44 provided by Section 39, Article III, Texas Constitution. If this  
1-45 Act does not receive the vote necessary for immediate effect, this  
1-46 Act takes effect September 1, 2005.

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