

By: Lucio

S.B. No. 1559

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting rebates regarding certain insurance coverage.

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

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

(a) This subchapter applies to every insurance company, corporation, interinsurance exchange, mutual, reciprocal, association, Lloyd's plan, or other organization or insurer writing any of the characters of insurance business herein set forth, hereinafter called "Insurer"; provided that nothing in this entire subchapter shall be construed to apply to any county or farm mutual insurance company or association, as regulated under Chapters 911 and 912 of this code, except that:

(1) Article 5.13-2 of this code shall apply to a county mutual insurance company with respect to personal automobile and commercial automobile insurance, residential and commercial property insurance, and inland marine insurance;

(2) Article 5.20 of this code shall apply to a county mutual insurance company with respect to each line of insurance that a county mutual insurance company is authorized to write under Section 912.151; and

(3) Article 5.20 of this code shall apply to a farm mutual insurance company with respect to each line of insurance

1 that a farm mutual insurance company is authorized to write under
2 Section 911.151.

3 SECTION 2. Article 5.20(d), Insurance Code, is amended to
4 read as follows:

5 (d) As used in this article:

6 (1) "Insurance" [~~the word "insurance"~~] includes
7 suretyship.

8 (2) "Insurer" means an insurance company or other
9 legal entity described by Subsection (a), Article 5.13, of this
10 code.

11 (3) "Policy" [~~, and the word "policy"~~] includes a
12 bond.

13 SECTION 3. Section 911.001(c), Insurance Code, is amended
14 to read as follows:

15 (c) Except to the extent of any conflict with this chapter,
16 the following provisions apply to a farm mutual insurance company:

17 (1) Subchapter A, Chapter 32;

18 (2) Subchapter D, Chapter 36;

19 (3) Sections 31.002(2), 32.021(c), 32.023, 32.041,
20 33.002, 38.001, 81.001-81.004, 201.005, 201.055, 801.051-801.055,
21 801.057, 801.101, 801.102, 822.204, 841.004, 841.251, 841.252, and
22 862.101;

23 (4) Chapter 541;

24 (5) Chapter 802;

25 (6) [~~5~~] Subchapter A, Chapter 805;

26 (7) [~~6~~] Chapter 824; and

27 (8) [~~7~~] Sections 2, 5, 6, and 17, Article 1.10, and

1 Articles 1.09-1, [~~1.11,~~] 1.12, 1.13, 1.15, 1.15A, 1.16, 1.17, 1.18,
2 1.19, [~~1.20, 1.21, 1.22,~~] 2.10, 5.20 [~~21.21~~], 21.28, 21.28-A,
3 21.28-C, 21.39, and 21.39-A.

4 SECTION 4. Section 912.002(b), Insurance Code, is amended
5 to read as follows:

6 (b) A county mutual insurance company is subject to:

7 (1) Sections 38.001, 501.202, 501.203, and 822.204;

8 (2) Chapters 221, 251, 252, 254, and 541; and

9 (3) [~~(2)~~] Articles 1.15, 1.15A, 1.16, [~~1.35B,~~] 2.10,
10 5.20, [~~4.10, 5.12,~~] 5.37, 5.38, 5.39, 5.40, [~~5.49, 21.21,~~] and
11 21.49.

12 SECTION 5. Section 941.003(b), Insurance Code, is amended
13 to read as follows:

14 (b) A Lloyd's plan is subject to:

15 (1) Section 5, Article 1.10;

16 (2) Article 1.15A;

17 (3) Subchapters A, [~~Q,~~] T, and U, Chapter 5;

18 (4) Chapters 251, 252, and 541;

19 (5) Articles 5.20, 5.35, 5.38, 5.39, 5.40, [~~and 5.49,~~

20 [~~(5) Articles 21.21~~] and 21.49-8;

21 (6) Sections 822.203, 822.205, 822.210, and 822.212;

22 and

23 (7) Article 5.13-2, as provided by that article.

24 SECTION 6. Section 942.003(b), Insurance Code, is amended
25 to read as follows:

26 (b) An exchange is subject to:

27 (1) Section 5, Article 1.10;

- 1 (2) Articles 1.15, 1.15A, and 1.16;
2 (3) Subchapters A, [~~Q,~~] T, and U, Chapter 5;
3 (4) Articles 5.20, 5.35, 5.37, 5.38, 5.39, and 5.40;
4 (5) Article [~~Articles 21.21 and~~] 21.49-8;
5 (6) Chapter 541;
6 (7) Sections 822.203, 822.205, 822.210, 822.212,
7 861.254(a)-(f), 861.255, 862.001(b), and 862.003; and
8 (8) [~~(7)~~] Article 5.13-2, as provided by that article.

9 SECTION 7. The changes in law made by this Act apply to
10 conduct with respect to an insurance policy that is delivered,
11 issued for delivery, or renewed on or after January 1, 2006.
12 Conduct with respect to a policy delivered, issued for delivery, or
13 renewed before January 1, 2006, is governed by the law as it existed
14 immediately before the effective date of this Act, and that law is
15 continued in effect for that purpose.

16 SECTION 8. This Act takes effect September 1, 2005.