

By: Hancock

H.B. No. 1848

A BILL TO BE ENTITLED

AN ACT

relating to the frequency of certain examinations conducted by the Texas Department of Insurance.

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

SECTION 1. Section 401.052, Insurance Code, is amended to read as follows:

Sec. 401.052. FREQUENCY OF EXAMINATION. (a) Subject to Subsection (b) and except as provided by the rules adopted under that subsection, the ~~[The]~~ department shall visit and examine a carrier as frequently~~+~~

~~[(1) annually during the first three years after the carrier is organized or incorporated, and~~

~~[(2) except as provided by Subsection (b), once every three years after the period described by Subdivision (1), or on a more frequent basis]~~ as the department considers necessary. At a minimum, the department shall examine a carrier not less frequently than once every five years.

(b) ~~[If the commissioner determines that the financial strength of a carrier justifies less frequent examinations than those required under Subsection (a)(2), the department may conduct the examination at intervals not less frequent than every five years.]~~ The commissioner shall adopt rules governing the frequency of examinations of carriers that have been organized or incorporated for less than five years ~~[determination under this~~

1 ~~subsection of whether the financial strength of a carrier justifies~~  
2 ~~less frequent examinations].~~

3 SECTION 2. This Act takes effect September 1, 2007.