

By: Martinez

H.B. No. 2884

A BILL TO BE ENTITLED

AN ACT

relating to rebates and the sale of crop insurance.

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

SECTION 1. Chapter 1806, Insurance Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. PROVISIONS

APPLICABLE TO CROP INSURANCE

Sec. 1806.201. PROHIBITED ACTS. An insurer or agent that is authorized to engage in the business of insurance that is limited to the business of insuring risks on growing crops may not participate in an arrangement that allows a person to receive or potentially receive a dividend, profit, or other consideration that is contingent solely on the purchase of that insurance.

SECTION 2. This Act applies only to an insurance policy or contract that is delivered, issued for delivery, or renewed on or after January 1, 2010. An insurance policy or contract delivered, issued for delivery, or renewed before January 1, 2010, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2009.