

AN ACT

relating to the registration with the Texas Department of Insurance of certain contract examiners.

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

SECTION 1. Section 751.052, Insurance Code, is amended to read as follows:

Sec. 751.052. COORDINATION WITH OTHER STATES; REGISTRATION OF CONTRACT EXAMINER. (a) The commissioner shall coordinate the department's market analysis and examination efforts with other states through the National Association of Insurance Commissioners.

(b) A person with whom another state contracts to perform any market analysis or examination initiated by the other state of an insurer domiciled in this state shall register with and provide the following information to the department's chief examiner:

(1) the person's name;

(2) if the person is not an individual, the identity of each examiner or other person who will perform any part of the market analysis or examination;

(3) the name of the state that contracted with the person;

(4) the identity of the insurer to be examined; and

(5) a description of each issue that the person has been contracted to examine.

1 (c) It is a violation of this code for a person to accept
2 compensation from multiple states for the same examination, if
3 doing so results in duplicative costs to the insurer being
4 examined. It is not a violation of this code for:

5 (1) an examiner to conduct an examination of an
6 insurer for the benefit of multiple states in a coordinated
7 examination; and

8 (2) the examiner to accept compensation from the
9 states participating in the coordinated examination to reduce the
10 examination costs to the insurer being examined.

11 SECTION 2. Subchapter C, Chapter 401, Insurance Code, is
12 amended by adding Section 401.107 to read as follows:

13 Sec. 401.107. REGISTRATION OF CONTRACT EXAMINERS. (a) A
14 person with whom another state contracts to perform any examination
15 initiated by the other state of an insurer domiciled in this state
16 shall register with and provide the following information to the
17 department's chief examiner:

18 (1) the person's name;

19 (2) if the person is not an individual, the identity of
20 each examiner or other person who will perform any part of the
21 examination;

22 (3) the name of the state that contracted with the
23 person;

24 (4) the identity of the insurer to be examined; and

25 (5) a description of each issue that the person has
26 been contracted to examine.

27 (b) It is a violation of this code for a person to accept

1 compensation from multiple states for the same examination, if
2 doing so results in duplicative costs to the insurer being
3 examined. It is not a violation of this code for:

4 (1) an examiner to conduct an examination of an
5 insurer for the benefit of multiple states in a coordinated
6 examination; and

7 (2) the examiner to accept compensation from the
8 states participating in the coordinated examination to reduce the
9 examination costs to the insurer being examined.

10 SECTION 3. Section 4053.107, Insurance Code, is amended by
11 adding Subsections (d) and (e) to read as follows:

12 (d) A person with whom another state contracts to perform
13 any examination initiated by the other state of a managing general
14 agent licensed under this chapter shall register with and provide
15 the following information to the department's chief examiner:

16 (1) the person's name;

17 (2) if the person is not an individual, the identity of
18 each examiner or other person who will perform any part of the
19 examination;

20 (3) the name of the state that contracted with the
21 person;

22 (4) the identity of the managing general agent to be
23 examined; and

24 (5) a description of each issue that the person has
25 been contracted to examine.

26 (e) It is a violation of this code for a person to accept
27 compensation from multiple states for the same examination, if

1 doing so results in duplicative costs to the managing general agent
2 being examined. It is not a violation of this code for:

3 (1) an examiner to conduct an examination of a
4 managing general agent for the benefit of multiple states in a
5 coordinated examination; and

6 (2) the examiner to accept compensation from the
7 states participating in the coordinated examination to reduce the
8 examination costs to the managing general agent being examined.

9 SECTION 4. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 4359 was passed by the House on April 15, 2009, by the following vote: Yeas 147, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4359 was passed by the Senate on May 26, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor