

1-1 By: Ellis S.B. No. 698  
1-2 (In the Senate - Filed February 6, 2009; February 23, 2009,  
1-3 read first time and referred to Committee on State Affairs;  
1-4 March 25, 2009, reported favorably by the following vote: Yeas 9,  
1-5 Nays 0; March 25, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the establishment of a registry at the Texas Department  
1-9 of Insurance of certain legal entities determined to have sold  
1-10 race-based insurance coverage.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Chapter 521, Insurance Code, is amended by  
1-13 adding Subchapter D to read as follows:

1-14 SUBCHAPTER D. RACE-BASED INSURANCE REGISTRY

1-15 Sec. 521.151. APPLICABILITY OF SUBCHAPTER. This subchapter  
1-16 applies to any legal entity engaged in the business of insurance in  
1-17 this state, including:

- 1-18 (1) a capital stock insurance company;  
1-19 (2) a mutual insurance company;  
1-20 (3) a title insurance company;  
1-21 (4) a fraternal benefit society;  
1-22 (5) a local mutual aid association;  
1-23 (6) a statewide mutual assessment company;  
1-24 (7) a county mutual insurance company;  
1-25 (8) a Lloyd's plan;  
1-26 (9) a reciprocal or interinsurance exchange;  
1-27 (10) a stipulated premium company;  
1-28 (11) a group hospital service corporation;  
1-29 (12) a farm mutual insurance company;  
1-30 (13) a risk retention group;  
1-31 (14) an eligible surplus lines insurer; and  
1-32 (15) an agent, broker, adjuster, or life and health  
1-33 insurance counselor.

1-34 Sec. 521.152. REGISTRY. The commissioner shall establish a  
1-35 registry of legal entities engaged in the business of insurance in  
1-36 this state that have a documented history of:

- 1-37 (1) refusing to insure or provide coverage to an  
1-38 individual, refusing to continue to insure or provide coverage to  
1-39 an individual, limiting the amount, extent, or kind of coverage  
1-40 available for an individual, or charging an individual a rate that  
1-41 is different from the rate charged to other individuals for the same  
1-42 coverage, because of the race or color of the individual; or  
1-43 (2) marketing a kind of insurance or insurance product  
1-44 to individuals predominately of the same race or color because of  
1-45 their race or color.

1-46 Sec. 521.153. SUBMISSION OF INFORMATION TO DEPARTMENT.  
1-47 (a) The commissioner may require a legal entity subject to this  
1-48 subchapter to submit information to the department regarding  
1-49 practices of the entity that reasonably indicate a history of the  
1-50 activities described by Section 521.152.

1-51 (b) The commissioner shall prescribe by rule the manner of  
1-52 submitting information under Subsection (a).

1-53 Sec. 521.154. PUBLIC INFORMATION. (a) Information  
1-54 submitted to the department under Section 521.153 is public  
1-55 information.

1-56 (b) The department shall prepare information of public  
1-57 interest describing the registry established under this  
1-58 subchapter.

1-59 SECTION 2. The commissioner of insurance shall establish  
1-60 the registry and adopt rules as required by Subchapter D, Chapter  
1-61 521, Insurance Code, as added by this Act, not later than January 1,  
1-62 2010.

1-63 SECTION 3. This Act takes effect September 1, 2009.

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