

By: Elkins

H.B. No. 3247

Substitute the following for H.B. No. 3247:

By: Huberty

C.S.H.B. No. 3247

A BILL TO BE ENTITLED

AN ACT

relating to the management of the Texas Mutual Insurance Company.

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

SECTION 1. Section 2054.052(b), Insurance Code, is amended to read as follows:

(b) An individual may not serve as a board member if the individual, another individual related to the individual within the second degree by consanguinity or affinity, or another individual residing in the same household with the individual:

(1) is registered, certified, or licensed under this code, or is required to be registered, certified, or licensed under this code, as an insurer, an agent, an insurance adjuster, a workers' compensation health care network, or a third-party administrator and in that capacity transacts the business of workers' compensation insurance;

(2) is employed by or acts as a consultant on matters relating to workers' compensation insurance to a person, or has a controlling financial interest in an organization, that is registered, certified, or licensed under this code, or required to be registered, certified, or licensed under this code, as an insurer, an agent, an insurance adjuster, a workers' compensation health care network, or a third-party administrator and in that capacity transacts the business of workers' compensation insurance;

1 (3) ~~owns, controls, has a financial interest in, or~~
2 ~~participates in the management of an organization registered or~~
3 ~~licensed under this code or required to be registered or licensed~~
4 ~~under this code;~~

5 ~~[(4)]~~ receives a substantial tangible benefit from the
6 company or the department; or

7 (4) ~~[(5)]~~ is an officer, employee, or consultant of an
8 association in the field of workers' compensation insurance.

9 SECTION 2. Section 2054.059(b), Insurance Code, is amended
10 to read as follows:

11 (b) A special meeting may be called by any two board members
12 on five ~~two~~ days' notice.

13 SECTION 3. Section 2054.103(b), Insurance Code, is amended
14 to read as follows:

15 (b) The president must have proven successful experience,
16 as an executive at the general management level, in ~~[the business~~
17 ~~of]~~ insurance, general business, or actuarial principles.

18 SECTION 4. Section 2054.052(d), Insurance Code, is
19 repealed.

20 SECTION 5. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2011.