

By: Elkins

H.B. No. 3247

A BILL TO BE ENTITLED

AN ACT

relating to the board of directors of the Texas Mutual Insurance Company.

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

SECTION 1. Amend Section 2054.052 to read as follows:

Sec. 2054.052. QUALIFICATIONS. (a) Each board member must be a resident of this state.

(b) An individual may not serve as a board member if the individual or the individual's spouse ~~[, 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 or licensed under this code or is required to be registered or licensed under this code;

(2) is employed by or acts as an insurance ~~[a]~~ consultant to a person, or has a controlling financial interest in an organization, registered or licensed under this code or required to be registered or licensed under this code;

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

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

1           (4) [~~(5)~~] is an officer, employee, or consultant of an  
2 association in the field of insurance.

3           (c) Subsection (b) does not prohibit an individual from  
4 serving as a board member if the individual is only a policyholder  
5 or a consumer of insurance or insurance products.

6           ~~[(d) An individual who is ineligible to serve on the board~~  
7 ~~under Subsection (b) may not serve as a board member until the first~~  
8 ~~anniversary of the date the condition that makes the individual~~  
9 ~~ineligible ends.]~~

10          SECTION 2. Amend Section 2054.103(b), Insurance Code, to  
11 read as follows:

12          (b) The president must have proven successful experience as  
13 an executive at the general management level in [~~the~~] business [~~of~~  
14 ~~insurance~~].

15          SECTION 3. Section 2054.059(b), Insurance Code, is amended  
16 to read as follows:

17          (b) A special meeting may be called by any two board members  
18 on five [~~two~~] days' notice.

19          SECTION 4. This Act takes effect September 1, 2011.