

By: Miller of Erath

H.B. No. 3799

A BILL TO BE ENTITLED

AN ACT

relating to timely filing of surplus lines policy; providing penalties.

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

SECTION 1. Section 981.105, Insurance Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

(c) The commissioner may assess a fee against an agent who files a surplus lines policy after the date specified in Subsection (a). The amount of the fee is:

(1) for an agent who, in the calendar year immediately preceding the year in which the policy is late-filed, files as determined by the stamping office:

(A) not more than five percent of the total number of policies the agent is required to file after the date specified in Subsection (a), \$25 for each late-filed policy; or

(B) more than five percent of the total number of policies the agent is required to file after the date specified in Subsection (a), \$50 for each late-filed policy; or

(2) for an agent who files a late-filed policy with an effective date before January 1, 2010, that at the time the policy is filed has not been listed in a previous late-filed policy report of the stamping office, \$25 for each late-filed policy.

(d) The assessment of a fee under Subsection (c) does not establish a violation for purposes of Section 81.004, 82.051,

1 82.052, 82.054, 82.056, or 84.022(b)(3).

2 (e) An agent is subject to penalties under Chapter 84 if, in  
3 each of two consecutive calendar years, the agent files more than  
4 five percent of the total number of policies the agent files after  
5 the date specified in Subsection (a).

6 SECTION 2. The changes in law made by this Act apply to a  
7 surplus lines policy filed on or after the effective date of this  
8 Act. A surplus lines policy filed before the effective date of this  
9 Act is governed by the law in effect immediately before that date,  
10 and that law is continued in effect for that purpose.

11 SECTION 3. This Act takes effect September 1, 2011.