

By: Eltife

S.B. No. 1229

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the registration with the Texas Department of Insurance
3 of certain contract examiners.

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

5 SECTION 1. Section 401.107, Insurance Code, is amended by
6 amending Subsection (a) and adding Subsection (a-1) to read as
7 follows:

8 (a) A person with whom another state contracts to perform
9 any examination initiated by the other state of an insurer
10 domiciled in this state shall register with and provide the
11 following information to the department's chief examiner:

12 (1) the person's name;

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

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

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

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

21 (6) an estimate of the examination costs to be charged
22 to the insurer to be examined;

23 (7) a copy of any contract between the person and the
24 state regulatory body that initiated the examination and a letter

1 authorizing the examination; and

2 (8) a list of the previous examinations conducted on
3 the same insurer on behalf of any state within the last three years.

4 (a-1) On accepting a person's registration under Subsection
5 (a), the department shall send written confirmation of the
6 acceptance to:

7 (1) the person;

8 (2) the insurer to be examined; and

9 (3) the state regulatory body that initiated the
10 examination.

11 SECTION 2. Section 751.052, Insurance Code, is amended by
12 amending Subsection (b) and adding Subsection (b-1) to read as
13 follows:

14 (b) A person with whom another state contracts to perform
15 any market analysis or examination initiated by the other state of
16 an insurer domiciled in this state shall register with and provide
17 the following information to the 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 market analysis or 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 (6) an estimate of the examination costs to be charged

1 to the insurer to be examined;

2 (7) a copy of any contract between the person and the
3 state regulatory body that initiated the examination and the letter
4 authorizing the examination; and

5 (8) a list of the previous examinations conducted on
6 the same insurer on behalf of any state within the last three years.

7 (b-1) On accepting a person's registration under Subsection
8 (b), the department shall send written confirmation of the
9 acceptance to:

10 (1) the person;

11 (2) the insurer to be examined; and

12 (3) the state regulatory body that initiated the
13 examination.

14 SECTION 3. Section 4053.107, Insurance Code, is amended by
15 amending Subsection (d) and adding Subsection (d-1) to read as
16 follows:

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

21 (1) the person's name;

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

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

27 (4) the identity of the managing general agent to be

1 examined; [~~and~~]

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

4 (6) an estimate of the examination costs to be charged
5 to the managing general agent to be examined;

6 (7) a copy of any contract between the person and the
7 state regulatory body that initiated the examination and the letter
8 authorizing the examination; and

9 (8) a list of the previous examinations conducted on
10 the same managing general agent on behalf of any state within the
11 last three years.

12 (d-1) On accepting a person's registration under Subsection
13 (d), the department shall send written confirmation of the
14 acceptance to:

15 (1) the person;

16 (2) the managing general agent to be examined; and

17 (3) the state regulatory body that initiated the
18 examination.

19 SECTION 4. The changes in law made by this Act to Sections
20 401.107, 751.052, and 4053.107, Insurance Code, apply only to an
21 examination commencing on or after September 1, 2011. An
22 examination commencing before September 1, 2011, is subject to the
23 law in effect on the date the examination was commenced, and that
24 law is continued in effect for that purpose.

25 SECTION 5. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

S.B. No. 1229

1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2011.