

1-1 By: Eltife S.B. No. 1229
1-2 (In the Senate - Filed March 7, 2011; March 16, 2011, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 April 13, 2011, reported favorably by the following vote: Yeas 9,
1-5 Nays 0; April 13, 2011, sent to printer.)

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

1-8 relating to the registration with the Texas Department of Insurance
1-9 of certain contract examiners.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 401.107, Insurance Code, is amended by
1-12 amending Subsection (a) and adding Subsection (a-1) to read as
1-13 follows:

1-14 (a) A person with whom another state contracts to perform
1-15 any examination initiated by the other state of an insurer
1-16 domiciled in this state shall register with and provide the
1-17 following information to the department's chief examiner:

1-18 (1) the person's name;

1-19 (2) if the person is not an individual, the identity of
1-20 each examiner or other person who will perform any part of the
1-21 examination;

1-22 (3) the name of the state that contracted with the
1-23 person;

1-24 (4) the identity of the insurer to be examined; ~~and~~

1-25 (5) a description of each issue that the person has
1-26 been contracted to examine;

1-27 (6) an estimate of the examination costs to be charged
1-28 to the insurer to be examined;

1-29 (7) a copy of any contract between the person and the
1-30 state regulatory body that initiated the examination and a letter
1-31 authorizing the examination; and

1-32 (8) a list of the previous examinations conducted on
1-33 the same insurer on behalf of any state within the last three years.

1-34 (a-1) On accepting a person's registration under Subsection
1-35 (a), the department shall send written confirmation of the
1-36 acceptance to:

1-37 (1) the person;

1-38 (2) the insurer to be examined; and

1-39 (3) the state regulatory body that initiated the
1-40 examination.

1-41 SECTION 2. Section 751.052, Insurance Code, is amended by
1-42 amending Subsection (b) and adding Subsection (b-1) to read as
1-43 follows:

1-44 (b) A person with whom another state contracts to perform
1-45 any market analysis or examination initiated by the other state of
1-46 an insurer domiciled in this state shall register with and provide
1-47 the following information to the department's chief examiner:

1-48 (1) the person's name;

1-49 (2) if the person is not an individual, the identity of
1-50 each examiner or other person who will perform any part of the
1-51 market analysis or examination;

1-52 (3) the name of the state that contracted with the
1-53 person;

1-54 (4) the identity of the insurer to be examined; ~~and~~

1-55 (5) a description of each issue that the person has
1-56 been contracted to examine;

1-57 (6) an estimate of the examination costs to be charged
1-58 to the insurer to be examined;

1-59 (7) a copy of any contract between the person and the
1-60 state regulatory body that initiated the examination and the letter
1-61 authorizing the examination; and

1-62 (8) a list of the previous examinations conducted on
1-63 the same insurer on behalf of any state within the last three years.

1-64 (b-1) On accepting a person's registration under Subsection

2-1 (b), the department shall send written confirmation of the
2-2 acceptance to:
2-3 (1) the person;
2-4 (2) the insurer to be examined; and
2-5 (3) the state regulatory body that initiated the
2-6 examination.

2-7 SECTION 3. Section 4053.107, Insurance Code, is amended by
2-8 amending Subsection (d) and adding Subsection (d-1) to read as
2-9 follows:

2-10 (d) A person with whom another state contracts to perform
2-11 any examination initiated by the other state of a managing general
2-12 agent licensed under this chapter shall register with and provide
2-13 the following information to the department's chief examiner:

- 2-14 (1) the person's name;
- 2-15 (2) if the person is not an individual, the identity of
2-16 each examiner or other person who will perform any part of the
2-17 examination;
- 2-18 (3) the name of the state that contracted with the
2-19 person;
- 2-20 (4) the identity of the managing general agent to be
2-21 examined; ~~and~~
- 2-22 (5) a description of each issue that the person has
2-23 been contracted to examine;
- 2-24 (6) an estimate of the examination costs to be charged
2-25 to the managing general agent to be examined;
- 2-26 (7) a copy of any contract between the person and the
2-27 state regulatory body that initiated the examination and the letter
2-28 authorizing the examination; and
- 2-29 (8) a list of the previous examinations conducted on
2-30 the same managing general agent on behalf of any state within the
2-31 last three years.

2-32 (d-1) On accepting a person's registration under Subsection
2-33 (d), the department shall send written confirmation of the
2-34 acceptance to:

- 2-35 (1) the person;
- 2-36 (2) the managing general agent to be examined; and
- 2-37 (3) the state regulatory body that initiated the
2-38 examination.

2-39 SECTION 4. The changes in law made by this Act to Sections
2-40 401.107, 751.052, and 4053.107, Insurance Code, apply only to an
2-41 examination commencing on or after September 1, 2011. An
2-42 examination commencing before September 1, 2011, is subject to the
2-43 law in effect on the date the examination was commenced, and that
2-44 law is continued in effect for that purpose.

2-45 SECTION 5. This Act takes effect immediately if it receives
2-46 a vote of two-thirds of all the members elected to each house, as
2-47 provided by Section 39, Article III, Texas Constitution. If this
2-48 Act does not receive the vote necessary for immediate effect, this
2-49 Act takes effect September 1, 2011.

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