

By: Johnson

H.B. No. 682

A BILL TO BE ENTITLED

AN ACT

relating to the election and qualifications of the commissioner of insurance.

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

SECTION 1. Section 31.022, Insurance Code, is amended to read as follows:

Sec. 31.022. ELECTION [APPOINTMENT, ~~TERM~~]. The commissioner is elected by the qualified voters at the general election for state and county officers for a term of four years.

~~[(a) The governor, with the advice and consent of the senate, shall appoint the commissioner. The commissioner serves a two-year term that expires on February 1 of each odd-numbered year.]~~

~~[(b) The governor shall appoint the commissioner without regard to the race, color, disability, sex, religion, age, or national origin of the appointee.]~~

SECTION 2. Section 31.023, Insurance Code, is amended to read as follows:

Sec. 31.023. QUALIFICATIONS. The commissioner must:

(1) be at least 30 years of age [~~a competent and experienced administrator~~];

(2) be a United States citizen [~~well informed and qualified in the field of insurance and insurance regulation~~];
[and]

(3) have resided in this state for at least five years

1 immediately preceding the date of the commissioner's election; and
2 (4) hold a bachelor's degree [~~of experience in the~~
3 ~~administration of business or government or as a practicing~~
4 ~~attorney or certified public accountant~~].

5 SECTION 3. Section 31.041(c), Insurance Code, is amended to
6 read as follows:

7 (c) A person appointed as an associate or deputy
8 commissioner or to hold an equivalent position must have at least
9 five years of [~~the~~] experience in the administration of business or
10 government or as a practicing attorney or certified public
11 accountant [~~required for appointment as commissioner under Section~~
12 ~~31.023~~]. At least two years of that experience must be in work
13 related to the position to be held.

14 SECTION 4. Sections 33.002(a) and (b), Insurance Code, are
15 amended to read as follows:

16 (a) A person is not eligible to serve [~~for appointment~~] as
17 commissioner if the person, the person's spouse, or any other
18 person who resides in the same household as the person:

19 (1) is registered, certified, or licensed by the
20 department;

21 (2) is employed by or participates in the management
22 of a business entity or other organization regulated by or
23 receiving funds from the department;

24 (3) owns or controls, directly or indirectly, more
25 than a 10 percent interest in a business entity or other
26 organization regulated by or receiving funds from the department;
27 or

1 (4) uses or receives a substantial amount of tangible
2 goods, services, or funds from the department, other than
3 compensation or reimbursement authorized by law.

4 (b) A person is not eligible to serve [~~for appointment~~] as
5 commissioner if the person:

6 (1) is a stockholder, director, officer, attorney,
7 agent, or employee of an insurance company, insurance agent,
8 insurance broker, or insurance adjuster; or

9 (2) is directly or indirectly interested in a business
10 described by Subdivision (1).

11 SECTION 5. Section 961.002(b), Insurance Code, is amended
12 to read as follows:

13 (b) The following provisions of this code apply to a
14 nonprofit legal services corporation in the same manner that they
15 apply to an insurer or a person engaged in the business of
16 insurance, to the extent the provisions do not conflict with this
17 chapter:

18 (1) Articles 1.09-1 and 21.47;

19 (2) Sections 31.002, 31.004, 31.007, 31.021, 31.022,
20 [~~31.023~~] 31.026, [~~31.027~~] 32.021, 32.022(a), 32.023, 33.002,
21 33.006, 36.108, 38.001, 81.004, 201.005, 201.055, 401.051,
22 401.052, 401.054-401.062, 401.103-401.106, 401.151, 401.152,
23 401.155, 401.156, 801.001, 801.002, 801.051-801.055, 801.057,
24 801.101, 801.102, 841.251, and 841.252;

25 (3) Subchapter B, Chapter 31;

26 (4) Subchapters A and C, Chapter 32;

27 (5) Subchapter D, Chapter 36;

- 1 (6) Subchapter A, Chapter 401;
- 2 (7) Subchapter A, Chapter 542;
- 3 (8) Subchapter A, Chapter 805; and
- 4 (9) Chapters 86, 402, 441, 443, 481, 541, 802, and 824.

5 SECTION 6. Section 52.092(c), Election Code, is amended to
6 read as follows:

7 (c) Statewide offices of the state government shall be
8 listed in the following order:

- 9 (1) governor;
- 10 (2) lieutenant governor;
- 11 (3) attorney general;
- 12 (4) comptroller of public accounts;
- 13 (5) commissioner of the General Land Office;
- 14 (6) commissioner of agriculture;
- 15 (7) commissioner of insurance;
- 16 (8) railroad commissioner;
- 17 (9) [~~(8)~~] chief justice, supreme court;
- 18 (10) [~~(9)~~] justice, supreme court;
- 19 (11) [~~(10)~~] presiding judge, court of criminal
20 appeals;
- 21 (12) [~~(11)~~] judge, court of criminal appeals.

22 SECTION 7. Section 504.401(d), Transportation Code, is
23 amended to read as follows:

24 (d) In this section, "state official" means:

- 25 (1) a member of the legislature;
- 26 (2) the governor;
- 27 (3) the lieutenant governor;

- 1 (4) a justice of the supreme court;
- 2 (5) a judge of the court of criminal appeals;
- 3 (6) the attorney general;
- 4 (7) the commissioner of the General Land Office;
- 5 (8) the comptroller;
- 6 (9) a member of the Railroad Commission of Texas;
- 7 (10) the commissioner of agriculture;
- 8 (11) the commissioner of insurance;
- 9 (12) the secretary of state; or
- 10 (13) [~~(12)~~] a member of the State Board of Education.

11 SECTION 8. Sections 31.024 and 31.027, Insurance Code, are
12 repealed.

13 SECTION 9. (a) The first general election for commissioner
14 of insurance shall be held November 4, 2014, for a four-year term
15 beginning on January 1, 2015.

16 (b) Until the first commissioner of insurance elected under
17 this Act takes office, the commissioner serving on the effective
18 date of this Act shall, unless otherwise removed as provided by law,
19 continue in office under the prior law that governed the office, and
20 that prior law is continued in effect for that purpose. If on
21 January 1, 2015, there is a vacancy in the office of commissioner of
22 insurance created under this Act because the first
23 commissioner-elect has died or refuses or is permanently unable to
24 serve, the commissioner serving on that date shall, unless
25 otherwise removed as provided by law, continue in office under the
26 prior law that governed the office until the governor fills the
27 vacancy by appointment in the manner provided by law. The prior law

1 that governed the office of the commissioner of insurance is
2 continued in effect for that purpose.

3 SECTION 10. (a) Except as provided by Subsection (b) of
4 this section, this Act takes effect January 1, 2015.

5 (b) Sections 1, 6, and 9 of this Act take effect September 1,
6 2013.