

By: Sheets

H.B. No. 2557

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of the insurance laws of this state to certain conduct.

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

SECTION 1. Section 101.001(d), Insurance Code, is amended to read as follows:

(d) It is also a concern that this state not become a safe harbor for persons or insurers engaged in the unauthorized business of insurance in this state, regardless of whether the insureds or other persons affected by the unauthorized business of insurance are residents of this state. This subsection is not intended to:

(1) expand the authority of the department to regulate the activities of insurers licensed or authorized to engage in business in this state or in another state or jurisdiction; or

(2) permit the department to use its resources to investigate alleged violations of law by those licensed or authorized insurers on behalf of any other state or jurisdiction.

SECTION 2. Section 101.051(c), Insurance Code, is amended to read as follows:

(c) An act described by Subsection (b) by an unlicensed or unauthorized person or unlicensed or unauthorized insurer that occurs in this state and that affects a person in another state, the District of Columbia, or a territory of the United States [~~or jurisdiction~~] constitutes the business of insurance in this state.

1 The terms "unlicensed" and "unauthorized" in this subsection are
2 not intended to authorize the department to regulate activities in
3 any other state or foreign jurisdiction of licensed or authorized
4 insurers.

5 SECTION 3. (a) Section 101.051(c), Insurance Code, as
6 amended by this Act, applies only to conduct engaged in on or after
7 the effective date of this Act.

8 (b) Conduct engaged in before the effective date of this Act
9 is governed by the law applicable to the conduct immediately before
10 the effective date of this Act, and that law is continued in effect
11 for that purpose.

12 SECTION 4. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2013.