

By: Smithee

H.B. No. 3237

A BILL TO BE ENTITLED

AN ACT

1
2 relating to first-party indemnity coverage purchased by insurance
3 purchasing groups.

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

5 SECTION 1. Section 2201.251, Insurance Code, is amended by
6 adding Subsections (c), (d), and (e) to read as follows:

7 (c) Notwithstanding any other provision of this code, a
8 purchasing group composed primarily of employees of a political
9 subdivision, including a county, municipality, or school district,
10 may purchase first-party indemnity coverage, in addition to the
11 liability coverage described in Subsection (a)(3), on a group basis
12 for other risks to which members may be exposed provided that the
13 aggregate coverage limit per group member for the risk does not
14 exceed three percent of the per member coverage limit for liability
15 coverage.

16 (d) A purchasing group shall notify the commissioner of the
17 group's intent to purchase coverage described by Subsection (c) not
18 later than the 60th day before the date the policy that includes the
19 coverage is initially issued. After notice and hearing the
20 commissioner may issue any orders authorized by law with respect to
21 such coverage.

22 (e) Subsection (d) does not apply to a purchasing group
23 described by Subsection (c) that was providing to its members
24 coverage described by Subsection (c) on January 1, 2013, and has

1 continued to provide that coverage without lapse.

2 SECTION 2. This Act takes effect September 1, 2013.