

By: Burton

S.B. No. 617

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the operation of certain self-insurance trusts for  
3 health care liability claims; requiring a certificate of authority  
4 to engage in the business of insurance.

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

6 SECTION 1. Section [2212.002](#), Insurance Code, is amended to  
7 read as follows:

8 Sec. 2212.002. TRUST ~~[NOT]~~ ENGAGED IN BUSINESS OF  
9 INSURANCE. A trust is ~~[not]~~ engaged in the business of writing  
10 professional liability insurance for members of the profession  
11 licensed to practice medicine or dentistry and is governed by  
12 [under] this code and other laws of this state, and this code,  
13 including Subtitle B, Title 10, applies ~~[, other than this chapter,~~  
14 ~~does not apply]~~ to the trust ~~[, except as provided by Section~~  
15 [2212.052](#)].

16 SECTION 2. Sections [2212.052](#) and [2212.053](#), Insurance Code,  
17 are repealed.

18 SECTION 3. (a) In order to continue operating after the  
19 effective date of this Act, a trust operating under Chapter 2212,  
20 Insurance Code, shall prepare and not later than January 1, 2016,  
21 submit to the commissioner of insurance a transition plan requiring  
22 the trust to obtain a certificate of authority to engage in the  
23 business of writing professional liability insurance in this state  
24 and be organized under and governed by the laws of this state. The

1 transition plan must ensure that contractual obligations of the  
2 trust are fulfilled.

3 (b) Not later than September 1, 2016, the commissioner of  
4 insurance shall by rule adopt or modify the transition plan to  
5 provide for the orderly transition of the operations of the trust  
6 under this Act.

7 (c) Not later than January 1, 2017, the commissioner of  
8 insurance shall take any action necessary to reflect the fact that,  
9 as of January 1, 2017, the trust is an insurance company writing  
10 professional liability insurance organized under and governed by  
11 the laws of this state.

12 SECTION 4. (a) Section 2 of this Act takes effect January 1,  
13 2017.

14 (b) Except as provided by Section 3 of this Act and  
15 Subsection (a) of this section, this Act takes effect September 1,  
16 2015.