

By: Burkett

H.B. No. 2909

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain licensed activities and
related organizations.

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

ARTICLE 1. TITLE ATTORNEY LICENSE; ATTORNEY'S TITLE INSURANCE
COMPANY

SECTION 1.01. Section 35.001(2), Insurance Code, is amended
to read as follows:

(2) "Regulated entity" means each insurer,
organization, person, or program regulated by the department,
including:

(A) a domestic or foreign, stock or mutual, life,
health, or accident insurance company;

(B) a domestic or foreign, stock or mutual, fire
or casualty insurance company;

(C) a Mexican casualty company;

(D) a domestic or foreign Lloyd's plan;

(E) a domestic or foreign reciprocal or
interinsurance exchange;

(F) a domestic or foreign fraternal benefit
society;

(G) a domestic or foreign title insurance
company;

(H) ~~[an attorney's title insurance company,~~

1 ~~(I)~~ a stipulated premium company;
2 (I) ~~(J)~~ a nonprofit legal service corporation;
3 (J) ~~(K)~~ a health maintenance organization;
4 (K) ~~(L)~~ a statewide mutual assessment company;
5 (L) ~~(M)~~ a local mutual aid association;
6 (M) ~~(N)~~ a local mutual burial association;
7 (N) ~~(O)~~ an association exempt under Section
8 887.102;
9 (O) ~~(P)~~ a nonprofit hospital, medical, or
10 dental service corporation, including a company subject to Chapter
11 842;
12 (P) ~~(Q)~~ a county mutual insurance company;
13 (Q) ~~(R)~~ a farm mutual insurance company; and
14 (R) ~~(S)~~ an agency or agent of an insurer,
15 organization, person, or program described by this subdivision.

16 SECTION 1.02. Section 82.002(a), Insurance Code, is amended
17 to read as follows:

18 (a) This chapter applies to each company regulated by the
19 commissioner, including:

- 20 (1) a domestic or foreign, stock or mutual, life,
21 health, or accident insurance company;
22 (2) a domestic or foreign, stock or mutual, fire or
23 casualty insurance company;
24 (3) a Mexican casualty company;
25 (4) a domestic or foreign Lloyd's plan insurer;
26 (5) a domestic or foreign reciprocal or interinsurance
27 exchange;

- (6) a domestic or foreign fraternal benefit society;
- (7) a domestic or foreign title insurance company;
- (8) ~~[an attorney's title insurance company;~~
- ~~[(9)]~~ a stipulated premium insurance company;
- (9) ~~[(10)]~~ a nonprofit legal service corporation;
- (10) ~~[(11)]~~ a health maintenance organization;
- (11) ~~[(12)]~~ a statewide mutual assessment company;
- (12) ~~[(13)]~~ a local mutual aid association;
- (13) ~~[(14)]~~ a local mutual burial association;
- (14) ~~[(15)]~~ an association exempt under Section [887.102](#);
- (15) ~~[(16)]~~ a nonprofit hospital, medical, or dental service corporation, including a company subject to Chapter [842](#);
- (16) ~~[(17)]~~ a county mutual insurance company; and
- (17) ~~[(18)]~~ a farm mutual insurance company.

SECTION 1.03. Section [83.002](#)(a), Insurance Code, is amended to read as follows:

(a) This chapter applies to each company regulated by the commissioner, including:

- (1) a domestic or foreign, stock or mutual, life, health, or accident insurance company;
- (2) a domestic or foreign, stock or mutual, fire or casualty insurance company;
- (3) a Mexican casualty company;
- (4) a domestic or foreign Lloyd's plan insurer;
- (5) a domestic or foreign reciprocal or interinsurance exchange;

- (6) a domestic or foreign fraternal benefit society;
- (7) a domestic or foreign title insurance company;
- (8) ~~[an attorney's title insurance company;~~
- ~~[(9)]~~ a stipulated premium insurance company;
- (9) ~~[(10)]~~ a nonprofit legal service corporation;
- (10) ~~[(11)]~~ a statewide mutual assessment company;
- (11) ~~[(12)]~~ a local mutual aid association;
- (12) ~~[(13)]~~ a local mutual burial association;
- (13) ~~[(14)]~~ an association exempt under Section
- 887.102;
- (14) ~~[(15)]~~ a nonprofit hospital, medical, or dental service corporation, including a company subject to Chapter 842;
- (15) ~~[(16)]~~ a county mutual insurance company; and
- (16) ~~[(17)]~~ a farm mutual insurance company.

SECTION 1.04. Section 554.001, Insurance Code, is amended to read as follows:

Sec. 554.001. APPLICABILITY OF CHAPTER. This chapter applies to each insurer or health maintenance organization engaged in the business of insurance or the business of a health maintenance organization in this state, regardless of form and however organized, including:

- (1) a stock life, health, or accident insurance company;
- (2) a mutual life, health, or accident insurance company;
- (3) a stock fire or casualty insurance company;
- (4) a mutual fire or casualty insurance company;

- (5) a Mexican casualty insurance company;
- (6) a Lloyd's plan;
- (7) a reciprocal or interinsurance exchange;
- (8) a fraternal benefit society;
- (9) a title insurance company;
- (10) ~~[an attorney's title insurance company,~~
- ~~[(11)]~~ a stipulated premium company;
- (11) ~~[(12)]~~ a nonprofit legal services corporation;
- (12) ~~[(13)]~~ a statewide mutual assessment company;
- (13) ~~[(14)]~~ a local mutual aid association;
- (14) ~~[(15)]~~ a local mutual burial association;
- (15) ~~[(16)]~~ an association exempt under Section
- 887.102;
- (16) ~~[(17)]~~ a nonprofit hospital, medical, or dental
- service corporation, including a corporation subject to Chapter
- 842;
- (17) ~~[(18)]~~ a county mutual insurance company;
- (18) ~~[(19)]~~ a farm mutual insurance company; and
- (19) ~~[(20)]~~ an insurer or health maintenance
- organization engaged in the business of insurance or the business
- of a health maintenance organization in this state that does not
- hold a certificate of authority issued by the department or is not
- otherwise authorized to engage in business in this state.

SECTION 1.05. Section 703.001, Insurance Code, is amended to read as follows:

Sec. 703.001. DEFINITION. In this chapter, "covered entity" means a health maintenance organization or insurer

regulated by the department, including:

(1) a stock life, health, or accident insurance company;

(2) a mutual life, health, or accident insurance company;

(3) a stock fire or casualty insurance company;

(4) a mutual fire or casualty insurance company;

(5) a Mexican casualty insurance company;

(6) a Lloyd's plan;

(7) a reciprocal or interinsurance exchange;

(8) a fraternal benefit society;

(9) a title insurance company;

(10) ~~[an attorney's title insurance company;~~

~~[(11)]~~ a stipulated premium company;

(11) ~~[(12)]~~ a nonprofit legal services corporation;

(12) ~~[(13)]~~ a statewide mutual assessment company;

(13) ~~[(14)]~~ a local mutual aid association;

(14) ~~[(15)]~~ a local mutual burial association;

(15) ~~[(16)]~~ an association exempt under Section 887.102;

(16) ~~[(17)]~~ a nonprofit hospital, medical, or dental service corporation, including a corporation subject to Chapter 842;

(17) ~~[(18)]~~ a county mutual insurance company; and

(18) ~~[(19)]~~ a farm mutual insurance company.

SECTION 1.06. Section 802.051, Insurance Code, is amended to read as follows:

Sec. 802.051. APPLICABILITY OF SUBCHAPTER. This subchapter applies to each company regulated by the commissioner, including:

(1) a stock life, health, or accident insurance company;

(2) a mutual life, health, or accident insurance company;

(3) a stock fire or casualty insurance company;

(4) a mutual fire or casualty insurance company;

(5) a Mexican casualty company;

(6) a Lloyd's plan;

(7) a reciprocal or interinsurance exchange;

(8) a fraternal benefit society;

(9) a title insurance company;

(10) ~~[an attorney's title insurance company;~~

~~[(11)]~~ a stipulated premium insurance company;

(11) ~~[(12)]~~ a nonprofit legal service corporation;

(12) ~~[(13)]~~ a health maintenance organization;

(13) ~~[(14)]~~ a statewide mutual assessment company;

(14) ~~[(15)]~~ a local mutual aid association;

(15) ~~[(16)]~~ a local mutual burial association;

(16) ~~[(17)]~~ an association exempt under Section 887.102;

(17) ~~[(18)]~~ a nonprofit hospital, medical, or dental service corporation, including a company subject to Chapter 842;

(18) ~~[(19)]~~ a county mutual insurance company; and

(19) ~~[(20)]~~ a farm mutual insurance company.

SECTION 1.07. Section 2551.053(a), Insurance Code, is

1 amended to read as follows:

2 (a) A [~~Except as provided by Section 2552.053(b), a~~] title
3 insurance company must have a paid-up capital of at least \$1 million
4 and a surplus of at least \$1 million.

5 SECTION 1.08. Section 2602.003(2), Insurance Code, is
6 amended to read as follows:

7 (2) "Agent" includes:

8 (A) a title insurance agent, as defined by
9 Section 2501.003; and

10 (B) [~~a title attorney, as defined by Section~~
11 ~~2552.002, and~~

12 [~~(C)~~] a direct operation or a title insurance
13 company's wholly owned subsidiary or affiliate that performs the
14 services usually and customarily performed by a title insurance
15 agent.

16 SECTION 1.09. Chapter 2552, Insurance Code, is repealed.

17 ARTICLE 2. EMERGENCY MANAGING GENERAL AGENT LICENSE

18 SECTION 2.01. Section 4053.052, Insurance Code, is
19 repealed.

20 ARTICLE 3. BINGO UNIT MANAGER LICENSE

21 SECTION 3.01. Section 2001.431(4), Occupations Code, is
22 amended to read as follows:

23 (4) "Unit manager" means an individual who is
24 [~~licensed under this subchapter to be~~] responsible for the
25 revenues, authorized expenses, and inventory of a unit.

26 SECTION 3.02. The heading to Section 2001.437, Occupations
27 Code, is amended to read as follows:

1 Sec. 2001.437. UNIT MANAGER[~~, LICENSE~~].

2 SECTION 3.03. Section 2001.437(c), Occupations Code, is
3 amended to read as follows:

4 (c) ~~[A person may not provide services as a unit manager to~~
5 ~~licensed authorized organizations that form a unit unless the~~
6 ~~person holds a unit manager license under this subchapter.]~~ A
7 person designated as an agent under Section 2001.438(b) is not a
8 unit manager on account of that designation for purposes of this
9 section.

10 SECTION 3.04. Sections 2001.437(d), (e), (f), and (g),
11 Occupations Code, are repealed.

12 ARTICLE 4. TRANSITION AND EFFECTIVE DATE

13 SECTION 4.01. The changes in law made by this Act do not
14 affect the right of any individual licensed before the effective
15 date of this Act to engage in the applicable occupation for the
16 remainder of the term for which the license was issued.

17 SECTION 4.02. This Act takes effect immediately if it
18 receives a vote of two-thirds of all the members elected to each
19 house, as provided by Section 39, Article III, Texas Constitution.
20 If this Act does not receive the vote necessary for immediate
21 effect, this Act takes effect September 1, 2017.