

By: Isaac

H.B. No. 3616

A BILL TO BE ENTITLED

AN ACT

1
2 relating to regulation of persons holding a certificate of
3 self-insurance for establishment of financial responsibility for
4 operating a motor vehicle.

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

6 SECTION 1. Section 601.124, Transportation Code, is amended
7 to read as follows:

8 Sec. 601.124. SELF-INSURANCE. (a) A person in whose name
9 more than 25 motor vehicles are registered may qualify as a
10 self-insurer by obtaining a certificate of self-insurance issued by
11 the Texas Department of Insurance [~~department~~] as provided by this
12 section.

13 (b) The Texas Department of Insurance [~~department~~] may
14 issue a certificate of self-insurance to a person if:

15 (1) the person applies for the certificate; and

16 (2) the commissioner of insurance [~~department~~] is
17 satisfied that the person has and will continue to have the ability
18 to pay judgments obtained against the person.

19 (c) The self-insurer must supplement the certificate with
20 an agreement that, for accidents occurring while the certificate is
21 in force, the self-insurer will pay the same judgments within the
22 time and in the same amounts as an insurer would be obligated to pay
23 under an owner's motor vehicle liability insurance policy issued to
24 the self-insurer if such policy were issued. The agreement may

1 include any other requirements that the commissioner of insurance
2 determines are appropriate for ensuring that the self-insurer pays
3 a legitimate claim timely.

4 (d) The Texas Department of Insurance [~~department~~] for
5 cause, including failure to pay a legitimate claim timely or
6 failure to comply with a requirement imposed by the commissioner of
7 insurance, may cancel a certificate of self-insurance after a
8 hearing. The self-insurer must receive at least five days' notice
9 of the hearing. Cause includes failure to pay a judgment before the
10 31st day after the date the judgment becomes final.

11 (e) The commissioner of insurance may adopt rules necessary
12 to implement this section.

13 SECTION 2. Section 601.124, Transportation Code, as amended
14 by this Act, applies only to a certificate of self-insurance issued
15 on or after January 1, 2018. A certificate of self-insurance issued
16 before January 1, 2018, is governed by the law applicable to the
17 certificate immediately before the effective date of this Act, and
18 that law is continued in effect for that purpose.

19 SECTION 3. This Act takes effect September 1, 2017.