86R27474 JES-D

By:  Lucio III, Hunter H.B. No. 1648

Substitute the following for H.B. No. 1648:

By:  Lucio III C.S.H.B. No. 1648

A BILL TO BE ENTITLED

AN ACT

relating to arbitration related to certain risks under certain insurance policies and contracts.

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

SECTION 1.  Subchapter D, Chapter 941, Insurance Code, is amended by adding Section 941.157 to read as follows:

Sec. 941.157.  ARBITRATION IN TEXAS. (a) An arbitration under an insurance policy or contract written by a Lloyd's plan that is related to a risk located entirely in this state must be conducted in this state, and the arbitration agreement in the insurance policy or contract must be interpreted in accordance with the laws of this state.

(b)  This section applies to an arbitration under an insurance policy or contract written by a Lloyd's plan entered into in or outside of this state.

SECTION 2.  Subchapter B, Chapter 981, Insurance Code, is amended by adding Section 981.067 to read as follows:

Sec. 981.067.  ARBITRATION IN TEXAS. (a) An arbitration under a surplus lines insurance contract that is related to a risk located entirely in this state must be conducted in this state, and the arbitration agreement in the insurance contract must be interpreted in accordance with the laws of this state.

(b)  This section applies to an arbitration under a surplus lines insurance contract entered into in or outside of this state.

SECTION 3.  (a) Section 941.157, Insurance Code, as added by this Act, applies only to an insurance policy or contract written by a Lloyd's plan delivered, issued for delivery, or renewed on or after January 1, 2020.

(b)  Section 981.067, Insurance Code, as added by this Act, applies only to a surplus lines insurance contract delivered, issued for delivery, or renewed on or after January 1, 2020.

SECTION 4.  This Act takes effect September 1, 2019.