

AN ACT

relating to an insurer's responsibility to review and audit a third-party administrator.

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

SECTION 1. The heading to Section 4151.1042, Insurance Code, is amended to read as follows:

Sec. 4151.1042. RESPONSIBILITIES OF INSURER; [~~SEMIANNUAL~~]
AUDIT AND REVIEW REQUIREMENTS.

SECTION 2. Section 4151.1042(c), Insurance Code, is amended to read as follows:

(c) If an administrator administers benefits for more than 100 certificate holders, injured employees, plan participants, or policyholders on behalf of an insurer, the insurer shall, at least semiannually, conduct a review of the operations of the administrator. At least biennially, the insurer shall conduct an [~~on-site~~] audit of the operations of the administrator.

SECTION 3. This Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1151 passed the Senate on April 16, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1151 passed the House on May 2, 2025, by the following vote: Yeas 123, Nays 0, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor