

By: Schwertner

S.B. No. 1642

A BILL TO BE ENTITLED

AN ACT

relating to the composition of, appointment of, and qualifications for the state commission of insurance.

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

SECTION 1. Section 31.001(1), Insurance Code, is amended to read as follows:

(1) "Commission" [~~"Commissioner"~~] means the state commission [~~commissioner~~] of insurance.

SECTION 2. Section 31.007, Insurance Code, is amended to read as follows:

Sec. 31.007. REFERENCES TO BOARD OR COMMISSIONER. A reference in this code or other law to the former State Board of Insurance, the Board of Insurance Commissioners, [~~or~~] an individual commissioner, or the commissioner of insurance means the commission [~~commissioner~~] or the department as consistent with the respective duties of the commission [~~commissioner~~] and the department under this code and other insurance laws.

SECTION 3. The heading to Subchapter B, Chapter 31, Insurance Code, is amended to read as follows:

SUBCHAPTER B. STATE COMMISSION [~~COMMISSIONER~~] OF INSURANCE

SECTION 4. Section 31.021, Insurance Code, is amended to read as follows:

Sec. 31.021. GOVERNING BODY [~~CHIEF EXECUTIVE~~]. (a) The commission [~~commissioner~~] is the department's governing body

1 ~~[chief executive and administrative officer]~~. The commission
2 ~~[commissioner]~~ shall administer and enforce this code, other
3 insurance laws of this state, and other laws granting jurisdiction
4 or applicable to the department or the commission ~~[commissioner]~~.

5 (b) The commission ~~[commissioner]~~ has the powers and duties
6 vested in the department by:

7 (1) this code and other insurance laws of this state;
8 and

9 (2) Title 5, Labor Code, and other workers'
10 compensation insurance laws of this state.

11 SECTION 5. Section 31.022, Insurance Code, is amended to
12 read as follows:

13 Sec. 31.022. APPOINTMENT; TERM; PRESIDING OFFICER.

14 (a) The governor, with the advice and consent of the senate, shall
15 appoint three members to serve on the commission serving staggered
16 terms of six years ~~[the commissioner. The commissioner serves a~~
17 ~~two-year term that expires on February 1 of each odd-numbered~~
18 ~~year]~~.

19 (b) In appointing members to serve on the commission, the
20 governor shall appoint:

21 (1) one member with expertise in insurance regulation;

22 (2) one member with expertise in insurance
23 administration; and

24 (3) one member with expertise in insurance consumer
25 advocacy.

26 (c) The governor shall designate one member of the
27 commission as the presiding officer. The presiding officer:

1 (1) serves at the pleasure of the governor;

2 (2) serves for a two-year term that expires February 1
3 of each odd-numbered year; and

4 (3) is ineligible to be designated as presiding
5 officer more than once during a six-year period.

6 (d) The governor shall appoint a member of the commission
7 [~~the commissioner~~] without regard to the race, color, disability,
8 sex, religion, age, or national origin of the appointee.

9 SECTION 6. Section 31.023, Insurance Code, is amended to
10 read as follows:

11 Sec. 31.023. QUALIFICATIONS. A member of the commission
12 [~~The commissioner~~] must:

13 (1) be a competent and experienced administrator;

14 (2) be well informed and qualified in the field of
15 insurance and insurance regulation; ~~and~~

16 (3) be well informed and qualified in consumer
17 advocacy;

18 (4) have at least five years of experience in the
19 administration of business or government or as a practicing
20 attorney, ~~or~~ certified public accountant, physician, dentist,
21 chiropractor, podiatrist, or health care administrator or business
22 owner; and

23 (5) be a resident of this state.

24 SECTION 7. Section 31.024, Insurance Code, is amended to
25 read as follows:

26 Sec. 31.024. INELIGIBILITY FOR PUBLIC OFFICE. A member of
27 the commission [~~The commissioner~~] is ineligible to be a candidate

1 for another ~~[a]~~ public elective office in this state, unless the
2 member ~~[commissioner]~~ has resigned and the governor has accepted
3 the resignation.

4 SECTION 8. Section 31.027, Insurance Code, is amended to
5 read as follows:

6 Sec. 31.027. GROUNDS FOR REMOVAL. (a) It is a ground for
7 removal from office if a member of the commission ~~[the~~
8 ~~commissioner]~~:

9 (1) does not have at the time of appointment the
10 qualifications required by Section 31.023;

11 (2) does not maintain during service as member
12 ~~[commissioner]~~ the qualifications required by Section 31.023;

13 (3) violates a prohibition established by Section
14 33.001, 33.003, 33.004, or 33.005; or

15 (4) cannot, because of illness or disability,
16 discharge the member's ~~[commissioner's]~~ duties for a substantial
17 part of the member's ~~[commissioner's]~~ term.

18 (b) The validity of an action of the commission
19 ~~[commissioner]~~ or the department is not affected by the fact that it
20 is taken when a ground for removal of a member of the commission
21 ~~[commissioner]~~ exists.

22 SECTION 9. Sections 33.002(a) and (b), Insurance Code, are
23 amended to read as follows:

24 (a) A person is not eligible for appointment as a member of
25 the commission ~~[commissioner]~~ if the person, the person's spouse,
26 or any other person who resides in the same household as the person:

27 (1) is registered, certified, or licensed by the

1 department;

2 (2) is employed by or participates in the management
3 of a business entity or other organization regulated by or
4 receiving funds from the department;

5 (3) owns or controls, directly or indirectly, more
6 than a 10 percent interest in a business entity or other
7 organization regulated by or receiving funds from the department;
8 or

9 (4) uses or receives a substantial amount of tangible
10 goods, services, or funds from the department, other than
11 compensation or reimbursement authorized by law.

12 (b) A person is not eligible for appointment as a member of
13 the commission [~~commissioner~~] if the person:

14 (1) is a stockholder, director, officer, attorney,
15 agent, or employee of an insurance company, insurance agent,
16 insurance broker, or insurance adjuster; or

17 (2) is directly or indirectly interested in a business
18 described by Subdivision (1).

19 SECTION 10. Sections 33.004(a) and (b), Insurance Code, are
20 amended to read as follows:

21 (a) A person who is an officer, employee, or paid consultant
22 of a trade association in the field of insurance may not be:

23 (1) a member of the commission [~~commissioner~~]; or

24 (2) an employee of the department who is exempt from
25 the state's position classification plan or is compensated at or
26 above the amount prescribed by the General Appropriations Act for
27 step 1, salary group A17, of the position classification salary

1 schedule.

2 (b) A person who is the spouse of an officer, manager, or
3 paid consultant of a trade association in the field of insurance may
4 not be:

5 (1) a member of the commission [~~commissioner~~]; or

6 (2) an employee of the department who is exempt from
7 the state's position classification plan or is compensated at or
8 above the amount prescribed by the General Appropriations Act for
9 step 1, salary group A17, of the position classification salary
10 schedule.

11 SECTION 11. Not later than December 1, 2025, the governor
12 shall:

13 (1) appoint each initial member of the state
14 commission of insurance to serve staggered terms beginning January
15 1, 2026, with one of the members serving a two-year term, one of the
16 members serving a four-year term, and one of the members serving a
17 six-year term; and

18 (2) designate a member appointed under Subdivision (1)
19 of this section as the initial presiding officer of the state
20 commission of insurance.

21 SECTION 12. Until each member of the initial state
22 commission of insurance is appointed and confirmed by the senate in
23 the manner provided by Section [31.022](#), Insurance Code, as amended
24 by this Act, the commissioner of insurance serving on the effective
25 date of this Act shall, unless otherwise removed as provided by law,
26 continue in office under the prior law that governed the office, and
27 that prior law is continued in effect for that purpose. If on

1 January 1, 2026, there is a vacancy in the office of a member of the
2 state commission of insurance created under this Act because the
3 initial appointee has not been confirmed by the senate as provided
4 by Section 31.022, Insurance Code, as amended by this Act, has died,
5 or refuses or is permanently unable to serve, the commissioner
6 serving on that date shall, unless otherwise removed as provided by
7 law, continue in office under the prior law that governed the office
8 until the governor fills the vacancy by appointment in the manner
9 provided by Section 31.022, Insurance Code, as amended by this Act.
10 The prior law that governed the office of the commissioner of
11 insurance is continued in effect for that purpose.

12 SECTION 13. This Act takes effect September 1, 2025.