

1 AN ACT

2 relating to the applicability of certain insurance laws to Lloyd's
3 plans and reciprocal and interinsurance exchanges.

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

5 SECTION 1. Section 38.001(b), Insurance Code, is amended to
6 read as follows:

7 (b) The department may address a reasonable inquiry to any
8 ~~an~~ insurance company, including a Lloyd's plan or reciprocal or
9 interinsurance exchange, or an agent~~[r]~~ or other holder of an
10 authorization relating to:

- 11 (1) the person's business condition; or
12 (2) any matter connected with the person's
13 transactions that the department considers necessary for the public
14 good or for the proper discharge of the department's duties.

15 SECTION 2. Section 941.003(b), Insurance Code, is amended
16 to read as follows:

17 (b) A Lloyd's plan is subject to:

- 18 (1) Section 5, Article 1.10;
19 (2) Article 1.15A;
20 (3) Subchapters A, Q, T, and U, Chapter 5;
21 (4) Articles 5.35, 5.38, 5.39, and 5.40~~[, and 5.49]~~;
22 (5) Article ~~[Articles 21.21 and]~~ 21.49-8;
23 (6) Sections 822.203, 822.205, 822.210, and 822.212;

24 ~~and]~~

1 (7) Article 5.13-2, as provided by that article;

2 (8) Chapters 251, 252, and 541; and

3 (9) Section 38.001.

4 SECTION 3. Section 942.003(b), Insurance Code, is amended
5 to read as follows:

6 (b) An exchange is subject to:

7 (1) Section 5, Article 1.10;

8 (2) Articles 1.15, 1.15A, and 1.16;

9 (3) Subchapters A, Q, T, and U, Chapter 5;

10 (4) Articles 5.35, 5.37, 5.38, 5.39, and 5.40;

11 (5) Article [~~Articles 21.21 and~~] 21.49-8;

12 (6) Sections 822.203, 822.205, 822.210, 822.212,
13 861.254(a)-(f), 861.255, 862.001(b), and 862.003; [~~and~~]

14 (7) Article 5.13-2, as provided by that article;

15 (8) Chapter 541; and

16 (9) Section 38.001.

17 SECTION 4. Subchapter A, Chapter 551, Insurance Code, is
18 amended by adding Section 551.004 to read as follows:

19 Sec. 551.004. TRANSFER NOT CONSIDERED A REFUSAL TO RENEW.

20 For purposes of this chapter and Articles 5.06-1 and 5.06-3 of this
21 code, the transfer of a policyholder between admitted companies
22 within the same insurance group is not considered a refusal to
23 renew.

24 SECTION 5. Section 551.056, Insurance Code, is repealed.

25 SECTION 6. The change in law made by Section 38.001,
26 Insurance Code, as amended by this Act, applies only to an inquiry
27 made by the Texas Department of Insurance on or after the effective

1 date of this Act. An inquiry made by the Texas Department of
2 Insurance before the effective date of this Act is covered by the
3 law in effect at the time the inquiry is made, and that law is
4 continued in effect for that purpose.

5 SECTION 7. This Act takes effect September 1, 2005.

David Newkirk

President of the Senate

Jim Coakley

Speaker of the House

I certify that H.B. No. 2614 was passed by the House on April 22, 2005, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 2614 on May 26, 2005, by a non-record vote.

Robert Hawley
Chief Clerk of the House

I certify that H.B. No. 2614 was passed by the Senate, with amendments, on May 20, 2005, by the following vote: Yeas 30, Nays 1.

Lacey Saw
Secretary of the Senate

APPROVED: 18 JUNE '05

Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
10:20 AM O'CLOCK

JUN 18 2005
Roger Williams
Secretary of State

Secretary of State