(d) In developing a process under Subsection (a) for the [evaluation and] approval of continuing competence activities [education courses], the board may [shall] authorize appropriate [license holder peer] organizations to [evaluate and] approve the activities [courses] in accordance with the established process.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

Passed by the House on May 15, 2009: Yeas 144, Nays 0, 1 present, not voting; passed by the Senate on May 27, 2009: Yeas 31, Nays 0.

Approved June 19, 2009.

CHAPTER 1022
H.B. No. 4291
AN ACT
relating to insurance charters and certificates of authority.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 801.001(2), Insurance Code, is amended to read as follows:

(2) "Insurer" means the issuer of an insurance policy that is issued to another in consideration of a premium and that insures against a loss that may be insured against under the law. The term includes a:

(A) fraternal benefit society;

(B) Lloyd's plan;

(C) mutual company of any kind, including a:

(i) statewide mutual assessment association;

(ii) local mutual aid association or burial association; and

(iii) county or farm mutual insurance company;

(D) reciprocal or interinsurance exchange; [and]

(E) group hospital service corporation;

(F) health maintenance organization;

(G) nonprofit legal services corporation; and

(H) stock company.

SECTION 2. Section 801.051, Insurance Code, is amended to read as follows:

Sec. 801.051. APPROVAL, DENIAL, OR DISAPPROVAL OF APPLICATION FOR CERTIFICATE; ELIGIBILITY; HEARING. (a) The department shall approve, deny, or disapprove an application for a certificate of authority to act as an insurer.

(b) If the department determines that the applicant has complied with the law, the department shall approve the application and issue under the department's seal a certificate of authority to act as an insurer [to an applicant applying for the certificate if the department determines that the applicant has complied with the law].

(c) On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date.

SECTION 3. Section 801.102, Insurance Code, is amended to read as follows:
Sec. 801.102. DENIAL OF APPLICATION OR REVOCATION OF CERTIFICATE.
(a) If after conducting an inquiry under Section 801.101 the department determines that [based on substantial evidence,] the person who is the subject of the inquiry is not worthy of the public confidence, the department shall [after written notice and hearing]:

1. deny the application for a certificate of authority; or
2. revoke the insurer's certificate of authority.

(b) On the applicant's request, the commissioner shall hold a hearing on a denial or revocation. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date.

SECTION 4. Section 822.057(b), Insurance Code, is amended to read as follows:

(b) If the commissioner is not satisfied with the affidavit filed under Subsection (a)(3), the commissioner may require that the incorporators provide at their expense additional evidence of a matter required in the affidavit before the commissioner:

1. receives the proposed articles of incorporation or the application for charter; or
2. [provides notice of a hearing on the application for charter or holds a hearing; or]
3. [issues a certificate of authority to the company]

SECTION 5. Section 822.058(b), Insurance Code, is amended to read as follows:

(b) After the items required for a charter under Sections 822.057(a)(1) and (2) are filed with the department and the proposed insurance company has complied with all legal requirements [and before any hearing], the commissioner shall conduct an examination of the company to determine whether:

1. the minimum capital stock and surplus requirements of Section 822.054 are satisfied;
2. the capital stock and surplus is the bona fide property of the company; and
3. the insurance company has fully complied with insurance laws.

SECTION 6. Section 822.060, Insurance Code, is amended to read as follows:

Sec. 822.060. ACTION ON APPLICATION. (a) In considering the application, the commissioner [not later than the 30th day after the date on which a hearing under Section 822.057 is completed,] shall determine if:

1. the proposed capital structure of the company meets the requirements of this code;
2. the proposed officers, directors, attorney in fact, or managing head of the company have sufficient insurance experience, ability, standing, and good record to make success of the proposed company probable; and
3. the applicants are acting in good faith.

(b) If the commissioner determines that the applicant has not met the standards set out by [an affirmative finding any of the issues under] Subsection (a) [adversely to the applicants, the commissioner shall deny [reject] the application in writing, giving the reason for the denial [rejection].

(c) If the commissioner does not deny [reject] the application under Subsection (b), the commissioner shall approve the application. On approval of an application, the articles of incorporation of the company shall be filed with the department.

(d) On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date.

SECTION 7. Sections 822.158(b) and (c), Insurance Code, are amended to read as follows:

(b) If the commissioner determines that the applicant has not met the requirements [by an affirmative finding any of the issues set out by Subsection (a) [adversely to the applicants], the commissioner shall deny [reject] the application. On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date.

(c) If the commissioner does not deny [reject] the application under Subsection (b), the commissioner shall approve the application and the amendment shall be filed with the department.
SECTION 8. Section 841.059(a), Insurance Code, is amended to read as follows:
(a) After the charter fee is paid and all items required for a charter under Section 841.058 are filed with the department, 

1. The commissioner may set a date for a hearing on the application; and
2. The department shall make or cause to be made a full and thorough examination of the domestic insurance company before the hearing.

SECTION 9. Section 841.061, Insurance Code, is amended by amending Subsections (a) and (b) and adding Subsections (b-1) and (b-2) to read as follows:

(a) In considering the application, the commissioner, not later than the 30th day after the date a hearing under Section 841.060 is completed, shall determine if:

1. The minimum capital and surplus required by Section 841.054 are the bona fide property of the domestic insurance company;
2. The proposed officers, directors, and managing executive of the company have sufficient insurance experience, ability, and standing to make success of the proposed company probable; and
3. The applicants are acting in good faith.

(b) If the commissioner determines that the applicant has not met the standards set out by Subsection (a) adversely to the applicants, the commissioner shall deny [reject] the application in writing, giving the reason for the denial [rejection]. An application may not be granted unless it is adequately supported by competent evidence.

(b-1) On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date.

(b-2) An interested party may participate fully and in all respects in any proceeding related to the application. An intervenor has the rights and privileges of a proper or necessary party in a civil suit in the courts of this state, including the right to be represented by counsel.

SECTION 10. Section 841.061(e), Insurance Code, as effective April 1, 2009, is amended to read as follows:

(c) If the commissioner does not deny [reject] the application under Subsection (b), the commissioner shall approve the application. On approval of an application, the department shall record the information required by Section 841.058 in records maintained for that purpose. On receipt of a fee in the amount determined under Chapter 202, the commissioner shall provide to the incorporators a certified copy of the application, articles of incorporation, and submitted affidavit.

SECTION 11. Section 846.054, Insurance Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The commissioner shall approve, deny, or disapprove an application for [issue] an initial certificate of authority [to a multiple employer welfare arrangement] that meets the requirements of Section 846.053 not later than the 60th day after the date on which the application is filed.

(a-1) On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date.

SECTION 12. Section 882.057, Insurance Code, is amended to read as follows:
Sec. 882.057. APPLICATION PROCESS. (a) After the charter fee is paid and all items required for a charter under Section 882.056 are filed with the department, the commissioner shall approve, deny, or disapprove [may set a date for a hearing on] the application.

(b) On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date.
be before the 11th or later than the 60th day after the date notice is provided under Subsection (c).

(c) [The commissioner shall:

(1) provide written notice of the date of a hearing to:

(A) the person or persons who filed the application; and

(B) any interested party, including any other party who had previously requested a copy of the notice; and

(2) publish, at the expense of the incorporators, a copy of the notice in a newspaper of general circulation in the county in which the mutual life insurance company's home office is proposed to be located.

(d) The department shall make a record of the proceedings of a hearing under this section.

(1) An interested party [is entitled to oppose or support the granting or denial of the application and] may [intervene and] participate fully and in all respects in any [hearing or] proceeding related to [on] the application. An intervenor has the rights and privileges of a proper or necessary party in a civil suit in the courts of this state, including the right to be represented by counsel.

SECTION 13. Sections 882.058(a) and (b), Insurance Code, are amended to read as follows:

(a) In considering the application, the commissioner [not later than the 30th day after the date a hearing under Section 882.057 is completed] shall determine if:

(1) the minimum unencumbered surplus required by Section 882.055 is the bona fide property of the mutual life insurance company;

(2) the proposed officers, directors, and managing executives of the company have sufficient insurance experience, ability, and standing to make success of the proposed company probable; and

(3) the applicants are acting in good faith.

(b) If the commissioner determines that the applicant has not met the standards set out by [an affirmative finding any of the issues under Subsection (a) adversely to the applicants], the commissioner shall deny [reject] the application in writing, giving the reason for the denial [rejection]. An application may not be granted unless it is adequately supported by competent evidence.

SECTION 14. Section 884.057, Insurance Code, is amended to read as follows:

Sec. 884.057. ACTION BY COMMISSIONER AND DEPARTMENT AFTER FILING.

(a) After the charter fee is paid and all items required for a charter under Section 884.056 are filed with the department, [;

(1) the commissioner shall approve or deny [may set a date for a hearing on] the charter application [;

(2) the department shall make or cause to be made a full and thorough examination of the company before a hearing].

(b) On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date [The stipulated premium company shall pay for the examination required under Subsection (a)(2)].

(c) An interested party may participate fully and in all respects in any proceeding related to the application. An intervenor has the rights and privileges of a proper or necessary party in a civil suit in the courts of this state, including the right to be represented by counsel.

SECTION 15. Section 884.058, Insurance Code, is amended to read as follows:

Sec. 884.058. EXAMINATION AFTER DETERMINATION [APPLICATION PROCESS]. After making a determination [a] The date for a hearing] on an application under Section 884.057, the [may not be before the 11th or later than the 30th day after the date notice is provided under Subsection (b).
The commissioner shall immediately make or cause to be made a full and thorough examination of the company. The company shall pay for the examination:

(a) provide written notice of the date of a hearing to:
   (A) the person or persons who filed the application; and
   (B) any interested party, including any other party who had previously requested a copy of the notice; and

(b) publish, at the expense of the incorporators, a copy of the notice in a newspaper of general circulation in the county in which the stipulated premium company's home office is proposed to be located.

The department shall make a record of the proceedings of a hearing under this section.

An interested party is entitled to oppose or support the granting or denial of the application and may intervene and participate fully and in all respects in any hearing or other proceeding on the application. An intervenor has the rights and privileges of a proper or necessary party in a civil suit in the courts of this state, including the right to be represented by counsel.

SECTION 16. Section 911.056, Insurance Code, is amended by amending Subsection (a) and adding Subsection (a-i) to read as follows:

(a) The department shall approve or deny an application for a permit to solicit insurance under Section 911.055. If the department finds that the application complies with this chapter, the department shall issue to the applicants a permit to solicit insurance.

(a-i) If the department finds that the application does not comply with this chapter, the department shall deny the application. On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date.

SECTION 17. Section 982.102, Insurance Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) Before approving or denying the application of a foreign or alien insurance company for issuing a certificate of authority to engage in the business of insurance in this state, the commissioner shall:
   (1) examine the company, at the company's expense, at its principal office in the United States; or
   (2) accept a report of an examination made by the insurance department or other insurance supervisory official of another state or government of a foreign country.

(d) On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date.

SECTION 18. Section 982.113, Insurance Code, is amended to read as follows:

Sec. 982.113. ISSUANCE OF CERTIFICATE OF AUTHORITY TO LIFE, HEALTH, OR ACCIDENT INSURANCE COMPANY. (a) The commissioner shall file in the commissioner's office the documents delivered to the department under this subchapter and shall approve or deny an application for a certificate of authority.

(b) The commissioner shall issue to a foreign or alien life insurance company, accident insurance company, life and accident insurance company, or life, health, and accident insurance company a certificate of authority to engage in this state in the kind of business specified in the documents if:
   (1) the company has complied with the requirements of this chapter and any other requirement imposed on the company by law; and
   (2) the company's operational history demonstrates that the expanded operation of the company in this state or its operations outside this state will not create a condition that might be hazardous to the company's policyholders or creditors or to the public.

(c) The operational history of a life insurance company, accident insurance company, life and accident insurance company, health and accident insurance company, or life, health,
and accident insurance company under Subsection (b)(2) [(a-2)] must be reviewed in conjunction with:
(1) the company's loss experience;
(2) the kinds and nature of risks insured by the company;
(3) the company's financial condition and its ownership;
(4) the company's proposed method of operation;
(5) the company's affiliations;
(6) the company's investments;
(7) the company's contracts, if any, leading to contingent liability or agreements in respect to guaranty and surety, other than insurance; and
(8) the ratio of total annual premium and net investment income to commission expenses, general insurance expenses, policy benefits paid, and required policy reserve increases.

(d) On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date of the applicant's request for a hearing, the commissioner shall request a hearing date.

SECTION 19. The following provisions of the Insurance Code are repealed:
(1) Section 822.057(c);
(2) Section 822.068(a);
(3) Section 822.059;
(4) Section 841.060;
(5) Section 843.081; and
(6) Section 882.058(c).

SECTION 20. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

Passed by the House on April 15, 2009: Yeas 147, Nays 0, 1 present, not voting; passed by the Senate on May 21, 2009: Yeas 31, Nays 0.

Approved June 19, 2009.

CHAPTER 1023
H.B. No. 4311
AN ACT
relating to the naming of certain Texas Department of Transportation property in Val Verde County.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Chapter 201, Transportation Code, is amended by adding Subchapter Y to read as follows:

SUBCHAPTER Y. DEPARTMENT BUILDING NAMES

Sec. 201.2001. HONORABLE HILARY B. DORAN TRANSPORTATION BUILDING. The building in which, on June 1, 2009, is located the office of the area engineer for Val Verde County is designated as the Honorable Hilary B. Doran Transportation Building.

SECTION 2. Subchapter B, Chapter 225, Transportation Code, is amended by adding Section 225.072 to read as follows:

Sec. 225.072. LOOP 79 IN VAL VERDE COUNTY. (a) In recognition of the cooperation between the department and Val Verde County, the designation of Loop 79 in Val Verde County shall be made by the Commissioners Court of Val Verde County.