

## BILL ANALYSIS

Senate Research Center  
77R9967 PB-F

S.B. 1793  
By: Sibley  
Business & Commerce  
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As Filed

### DIGEST AND PURPOSE

Currently, there are three Guaranty Associations authorized by statute in the Insurance Code. As proposed, S.B. 1793 includes the Commissioner of Insurance as a member of each guaranty association board to provide greater oversight and supervision of the on going business of each board and to provide that each guaranty association may consider, in a closed session meeting, confidential information about the financial status and solvency of member insurance companies that are or may be placed in liquidation by the commissioner of insurance.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 14(b)(1), Article 9.48, Insurance Code, as follows:

(1) Requires the Commissioner of Insurance (commissioner), or the commissioner's designee, to serve as a nonvoting ex officio member of the board of directors. Provides that an ex officio member is not subject to the requirements imposed on appointed members under this article. Requires that board members, other than the public representatives, be chosen to give fair representation to all insurers and agents giving due consideration to the various categories of premium income, geographical location, and segments of the industry represented in this state. Redefines "public representative," and "immediate family."

SECTION 2. Amends Section 7(a), Article 21.28-C, Insurance Code, to make a conforming change.

SECTION 3. Amends Section 7(a), Article 21.28-D, Insurance Code, to make a conforming change.

SECTION 4. Amends Section 551.079, Government Code, as follows:

Sec. 551.079. New heading: TEXAS DEPARTMENT OF INSURANCE. (a) Provides that the requirements of this chapter do not apply to a meeting of the commissioner of insurance or the commissioner's designee with the board of directors of a guaranty association established under Article 9.48, 21.28-C, or 21.28-D, Insurance Code, in the discharge of the commissioner's duties and responsibilities to regulate and maintain the solvency of a person regulated by the Texas Department of Insurance, rather than the board.

(b) Authorizes the commissioner of insurance rather than board, to deliberate and determine the appropriate action to be taken concerning the solvency of a person regulated by the Texas Department of Insurance in a closed meeting with persons in one or more of certain categories.

SECTION 5. Effective date: September 1, 2001.