

BILL ANALYSIS

Senate Research Center
79R5748 PB-D

H.B. 2565
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Business & Commerce
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current law provides that, unless a statute expressly states that it applies to county mutual insurance companies, Lloyds plans, or reciprocal exchanges, those entities are exempt from that statute. None of these entities is currently expressly included within the scope of Article 5.20 (Rebates Prohibited), Insurance Code, which prohibits an insurer, agent, and broker from giving or allowing rebates.

H.B. 2565 amends the Insurance Code to make county mutual insurance companies, farm mutual insurance companies, Lloyds plans, or reciprocal exchanges writing under Chapter 5, Subchapter B, expressly subject to the requirements of Article 5.20, Insurance Code.

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 Article 5.13(a), Insurance Code, to include certain mutual insurance companies and farm mutual insurance companies as subject to Article 5.20 (Rebates Prohibited) of this code. Makes nonsubstantive changes.

SECTION 2. Amends Article 5.20(d), Insurance Code, to define "insurer" and redefine "insurance" and "policy."

SECTION 3. Amends Section 911.001(c), Insurance Code, to amend certain provisions that apply to a farm mutual insurance company.

SECTION 4. Amends Section 912.002(b), Insurance Code, to amend the list of certain provisions that apply to a county mutual insurance company.

SECTION 5. Amends Section 941.003(b), Insurance Code, to amend the list of certain provisions that apply to a Lloyd's plan.

SECTION 6. Amends Section 942.003(b), Insurance Code, to amend the list of certain provisions that apply to an exchange.

SECTION 7. Makes application of this Act prospective to January 1, 2006.

SECTION 8. Effective date: September 1, 2005.