

BILL ANALYSIS

Senate Research Center
76R6711 DB-D

H.B. 1811
By: Counts (Madla)
Economic Development
5/14/1999
Engrossed

DIGEST

Currently, there are three unincorporated insurance guaranty associations in Texas. These unincorporated associations of member insurers were created by the legislature to provide some protection for the public upon the failure of insurers. Each association covers life and health, property and casualty, and title insurance and is governed by a board of directors appointed by the commissioner of insurance. All of the directors serve without compensation and receive only reimbursement for travel expenses. Current law requires these volunteers to make their personal financial condition a public record by filing a financial statement with the Texas Ethics Commission. As a result, some people may be unwilling to serve on these boards, especially as public members. H.B. 1811 would remove the requirement for filing a personal financial statement by the directors of insurance guaranty associations and would repeal the applicable provisions of the respective guaranty association acts.

PURPOSE

As proposed, H.B. 1811 sets forth provisions regarding certain requirements for directors of insurance guaranty associations.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 14(c), Article 9.48, Insurance Code, as follows: to delete the requirement for each member of the board of directors of the Texas Title Insurance Guaranty Association (association) to file a financial statement with the Texas Ethics Commission in accordance with Chapter 572B, Government Code. Redesignates existing Subsections (4)-(15) to Subsections (3)-(14), respectively. Makes conforming changes.

SECTION 2. Repealer: Section 14(b)(3), Article 9.48, Insurance Code (requires each member of the board to file a financial statement with the Texas Ethics Commission).

Repealer: Section 7(e), Article 21.28-C, Insurance Code (requires each member of the board of the Texas Property and Casualty Insurance Guaranty Association to file a financial statement with the secretary of state).

Repealer: Section 7(b), Article 21.28-D, Insurance Code (requires each director of the Life, Accident, Health and Hospital Service Insurance Guaranty Association to file a financial statement with the secretary of state).

SECTION 3. Emergency clause.

Effective date: upon passage.