

BILL ANALYSIS

Senate Research Center
79R14570 PB-F

H.B. 1891
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Business & Commerce
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

All insurance companies including Lloyds, reciprocals, and county mutual companies are subject to the Article 21.49, Insurance Code, with two exceptions: farm mutual companies and a county mutual writing exclusively industrial fire insurance. Industrial fire is a term for policies that cover dwellings, household goods and wearing apparel. The policies are sold on a weekly, monthly or quarterly basis on a continuous premium payment plan. Typically these are low-value dwellings sold to low- and modest-income households. A county mutual company that markets exclusively industrial fire insurance has been exempt from certain laws under Section 912.310, Insurance Code, and specifically exempt from Article 21.49, Insurance Code, and assessments. H.B. 1891 removes the exemption for an industrial fire county mutual if it is affiliated with other insurers as part of a holding company group.

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 3(k), Article 21.49, Insurance Code, to redefine "insurers."

SECTION 2. Effective date: September 1, 2005.