

By: Martinez

H.B. No. 2884

A BILL TO BE ENTITLED

AN ACT

relating to rebates and the sale of crop insurance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1806, Insurance Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. PROVISIONS

APPLICABLE TO CROP INSURANCE

Sec. 1806.201. DEFINITION. In this subchapter, "insurer" means an insurance company regulated by the department, including:

- (1) a stock fire or casualty insurance company;
- (2) a mutual fire or casualty insurance company;
- (3) a Lloyd's plan;
- (4) a reciprocal or interinsurance exchange;
- (5) a county mutual insurance company; and
- (6) a farm mutual insurance company.

Sec. 1806.202. APPLICABILITY. (a) This subchapter applies only to an insurance transaction that involves the sale of insurance on growing crops.

(b) This subchapter does not affect or alter any provision of this code with respect to the sale of any other line of insurance that may be sold in conjunction with a transaction described by Subsection (a).

Sec. 1806.203. PROHIBITED ACTS. Except as otherwise provided by federal law or regulation, an insurer or agent that is

1 authorized to engage in the business of insurance may not
2 participate in an arrangement that allows a person to receive or
3 potentially receive a dividend, profit, or other consideration that
4 is contingent solely on the purchase of insurance on growing crops.

5 Sec. 1806.204. ENFORCEMENT; SANCTIONS. In addition to any
6 other proceeding or remedy under this code or other law, a person,
7 including an insurer, who violates this subchapter commits an
8 unfair practice in violation of Chapter 541 and is subject to
9 sanctions under Chapter 82.

10 SECTION 2. This Act applies only to an insurance policy or
11 contract that is delivered, issued for delivery, or renewed on or
12 after January 1, 2010. An insurance policy or contract delivered,
13 issued for delivery, or renewed before January 1, 2010, is governed
14 by the law as it existed immediately before the effective date of
15 this Act, and that law is continued in effect for that purpose.

16 SECTION 3. This Act takes effect September 1, 2009.