

INSURANCE CODE

TITLE 10. PROPERTY AND CASUALTY INSURANCE

SUBTITLE G. POOLS, GROUPS, PLANS, AND SELF-INSURANCE

CHAPTER 2153. GROUP MARKETING OF AUTOMOBILE INSURANCE FOR PERSONS
OVER 55 YEARS OF AGE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2153.001. DEFINITIONS. In this chapter:

(1) "Group automobile insurance" means automobile insurance that:

(A) covers individuals who are over 55 years of age; and

(B) is offered under a group marketing plan.

(2) "Group marketing" means the marketing of group automobile insurance to an eligible group under Section 2153.052.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.002. APPLICABILITY OF CERTAIN PROVISIONS. Sections 4001.051 and 4001.053 do not apply to a group participating in a group marketing plan under this chapter.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.003. RULES. The commissioner may adopt any rules necessary to carry out the provisions of this chapter.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

SUBCHAPTER B. CONDITIONS FOR ISSUANCE OF GROUP AUTOMOBILE
INSURANCE

Sec. 2153.051. AUTHORIZATION FOR ISSUANCE OF GROUP AUTOMOBILE INSURANCE. An insurer may issue group automobile insurance in this state if the conditions of Sections 2153.054(b), 2153.055-2153.059, and 2153.103 are met.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.052. ELIGIBILITY OF GROUP. (a) To be eligible for group marketing, a group must:

(1) have existed for at least six months before the date the group automobile insurance is purchased; and

(2) be organized for a purpose other than to become an insurance group under this chapter.

(b) The group may include any group that is actuarially credible for underwriting purposes.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.053. ELIGIBILITY OF GROUP MEMBER. A member of a group described by Section 2153.052 is eligible to participate in a group marketing plan if the member is:

(1) in good standing with the group;

(2) over 55 years of age; and

(3) authorized to operate a motor vehicle in this state.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.054. GUARANTEED ISSUE. (a) An insurer shall issue group automobile insurance:

(1) on a guaranteed basis under a single insurance program; and

(2) without individual underwriting selection or individual proof of insurability.

(b) An insurer that issues group automobile insurance and the insured group shall accept for participation in the group marketing plan any member of the group who is eligible under Section 2153.053 and who wants to participate.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.055. INSURER QUALIFICATIONS. To qualify to write group automobile insurance, an insurer:

(1) must be authorized to engage in the business of automobile insurance in this state;

(2) must also be engaged in the business of writing automobile insurance for independent individual risks; and

(3) may not be organized solely to provide group automobile insurance.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.056. VEHICLES COVERED. A group marketing plan must provide that a motor vehicle is eligible for group automobile insurance coverage only if the vehicle is owned by a group member or the member's spouse jointly or severally.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.057. INDIVIDUAL POLICIES. An insurer shall issue an individual policy to each participating group member.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.058. GROUP PAYMENT OF PREMIUMS. An insurer shall provide group automobile insurance under an agreement under which the group periodically pays the premiums on the policies to the insurer.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.059. LIMITATIONS ON CANCELING INSURANCE. (a) An insurer may not cancel the insurance of a group member unless:

(1) the member fails to pay the premiums; or

(2) the insurance for the entire group is canceled.

(b) An insurer that cancels insurance under Subsection (a) shall provide to each group member whose insurance is canceled the same notice of cancellation the insurer provides for cancellation

of individual automobile insurance policies.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

SUBCHAPTER C. RECORDS, RATES, AND FORMS

Sec. 2153.101. MAINTENANCE OF RECORDS. An insurer that writes insurance under a group marketing plan shall maintain separate experience data on the group marketing plan business, including complete records of premium income, losses, and expenses, so that the experience may be fairly ascertained.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.102. RATES. Rates for group automobile insurance are determined in the manner provided by Chapter 2251 and Article 5.13-2, to the extent that those laws apply.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.

Sec. 2153.103. POLICY FORMS. An insurer that writes group automobile insurance shall use policy forms:

(1) prescribed by the commissioner and authorized for use by Section 2301.052(b); or

(2) filed and in effect as provided by Section 2301.052(a).

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 2, eff. April 1, 2007.