

INSURANCE CODE

TITLE 10. PROPERTY AND CASUALTY INSURANCE

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

CHAPTER 2213. SELF-INSURANCE TRUSTS FOR BANKS AND SAVINGS AND LOAN
ASSOCIATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2213.001. DEFINITIONS. In this chapter:

(1) "Bank" means a bank chartered under federal or state law.

(2) "Plan" means a self-insurance trust's plan of organization and operation.

(3) "Savings and loan association" means a savings and loan association chartered under federal or state law.

(4) "Self-insurance trust" means a self-insurance trust organized and operated under this chapter.

(5) "Trustees" means the trustees of a self-insurance trust.

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

Sec. 2213.002. SELF-INSURANCE TRUST NOT ENGAGED IN BUSINESS OF INSURANCE. (a) A self-insurance trust is not engaged in the business of insurance under this code or other laws of this state.

(b) Other than this chapter, the provisions of this code, including the Texas Property and Casualty Insurance Guaranty Act, Chapter 462, do not apply to a self-insurance trust.

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

Sec. 2213.003. RULES. The commissioner may adopt:

(1) necessary rules to carry out the provisions of this chapter relating to bank self-insurance trusts; and

(2) reasonable rules necessary to carry out the provisions of this chapter relating to savings and loan self-insurance trusts.

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

SUBCHAPTER B. CREATION AND OPERATION OF SELF-INSURANCE TRUST

Sec. 2213.051. CREATION OF BANK SELF-INSURANCE TRUST; COVERAGE. (a) A group or association of banks or bankers, composed of any number of members, may create a bank self-insurance trust to self-insure banks that are members of the group or association, or that have any officers who are members of the group or association, against losses described by this section.

(b) The bank self-insurance trust may self-insure a bank described by Subsection (a) against losses resulting from:

(1) dishonest acts and criminal acts of employees;

(2) a robbery or other act commonly included within a bank's bond coverage; and

(3) indemnification for a wrongful act committed by a director, officer, or employee of a member of the group or association, subject to the limitations under Chapter 8, Business Organizations Code.

(c) The trustees shall determine, according to the plan, the amount of coverage to be provided to a bank participating in the bank self-insurance trust.

(d) Expired.

(e) Expired.

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

Sec. 2213.052. CREATION OF SAVINGS AND LOAN SELF-INSURANCE TRUST; COVERAGE. (a) Two or more savings and loan associations that have their principal offices located in this state may create a savings and loan self-insurance trust to provide insurance and indemnity coverage for the savings and loan self-insurance trust's members and the officers and directors of the savings and loan self-insurance trust's members.

(b) Insurance and indemnity coverage provided by the savings and loan self-insurance trust is limited to savings and

loan blanket bonds covering losses resulting from:

- (1) dishonest acts and criminal acts of employees; or
- (2) robbery.

(c) The trustees shall determine, according to the plan, the amount of coverage to be provided to a savings and loan association participating in the savings and loan self-insurance trust.

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

Sec. 2213.053. PLAN OF ORGANIZATION AND OPERATION; TRUSTEES. (a) Before organizing and operating a self-insurance trust, the group or association of banks or bankers or the savings and loan associations, as applicable, proposing to organize the self-insurance trust shall:

(1) select trustees to administer the self-insurance trust; and

(2) prepare a detailed plan of organization and operation in the form and manner prescribed by the commissioner.

(b) The group or association of banks or bankers or the savings and loan associations shall submit the proposed plan to the commissioner for examination, suggested changes, and final approval.

(c) The commissioner shall approve the proposed plan only if the commissioner is satisfied that the self-insurance trust is able and will continue to be able to pay valid claims made to the self-insurance trust.

(d) After final approval, the plan may be amended with the commissioner's approval.

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

Sec. 2213.054. MINIMUM REQUIREMENTS; COMMISSIONER SUPERVISION. (a) After approval of a self-insurance trust's plan, the self-insurance trust is subject to continuing supervision by the commissioner relating to:

- (1) the solvency of the self-insurance trust; and
- (2) the approval of the self-insurance trust's policy

forms.

(b) The commissioner may set minimum requirements to ensure that a self-insurance trust is able to satisfy the self-insurance trust's contractual obligations.

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

Sec. 2213.055. CREATION OF TRUST FUND. (a) The trustees shall create a trust fund to pay claims made under the coverage provided by the self-insurance trust under Section 2213.051 or 2213.052, as applicable.

(b) The trustees shall administer and control the trust fund and shall pay claims from and invest the money of the trust fund as provided by the plan.

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

Sec. 2213.056. PERSONNEL; PAYMENT OF EXPENSES. (a) The trustees shall employ appropriate professional employees and consultants for management of the self-insurance trust program.

(b) The trustees shall pay the salaries of professional employees and consultants and other costs of administering the self-insurance trust program from the trust fund.

(c) The total amount paid for salaries and administration may not exceed an amount set by the commissioner. The amount set by the commissioner may not exceed 35 percent of the total amount of money in the trust fund in any year.

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

SUBCHAPTER C. PARTICIPATION IN SELF-INSURANCE TRUST

Sec. 2213.101. PARTICIPATION. A bank that is a member, or that has an officer who is a member, of a group or association of banks or bankers organizing a bank self-insurance trust or of savings and loan associations organizing a savings and loan self-insurance trust may participate in the applicable

self-insurance trust by:

(1) entering into a contract or agreement with the trustees for coverage that the self-insurance trust may provide under Section [2213.051](#) or [2213.052](#), as applicable; and

(2) paying the required contribution to the trust fund in the amount determined by the trustees in accordance with the plan.

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