

INSURANCE CODE

TITLE 2. TEXAS DEPARTMENT OF INSURANCE

SUBTITLE A. ADMINISTRATION OF THE TEXAS DEPARTMENT OF INSURANCE

CHAPTER 33. STANDARDS OF CONDUCT

Sec. 33.001. APPLICATION OF LAW RELATING TO ETHICAL CONDUCT. The commissioner and each employee or agent of the department is subject to the code of ethics and the standard of conduct imposed by Chapter 572, Government Code, and any other law regulating the ethical conduct of state officers and employees.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 33.002. INSURANCE BUSINESS INTEREST; SERVICE AS COMMISSIONER. (a) A person is not eligible for appointment as commissioner if the person, the person's spouse, or any other person who resides in the same household as the person:

(1) is registered, certified, or licensed by the department;

(2) is employed by or participates in the management of a business entity or other organization regulated by or receiving funds from the department;

(3) owns or controls, directly or indirectly, more than a 10 percent interest in a business entity or other organization regulated by or receiving funds from the department; or

(4) uses or receives a substantial amount of tangible goods, services, or funds from the department, other than compensation or reimbursement authorized by law.

(b) A person is not eligible for appointment as commissioner if the person:

(1) is a stockholder, director, officer, attorney, agent, or employee of an insurance company, insurance agent, insurance broker, or insurance adjuster; or

(2) is directly or indirectly interested in a business described by Subdivision (1).

(c) Subsection (b) does not apply to:

(1) a person solely because the person is insured by an

insurer or is the beneficiary of insurance; or

(2) a person who:

(A) is appointed as a receiver, liquidator, supervisor, or conservator of an insurer; or

(B) is an employee of a receiver, liquidator, supervisor, or conservator of an insurer with respect to duties under that employment.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 33.003. INSURANCE BUSINESS INTEREST; EMPLOYEE. (a) A person who is a director, officer, attorney, agent, or employee of an insurance company, insurance agent, insurance broker, or insurance adjuster may not be employed by the department.

(b) A person who resides in the same household as a person who is an officer, managerial employee, or paid consultant in the insurance industry may not be employed in an exempt salary position as defined by the General Appropriations Act.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 33.004. TRADE ASSOCIATIONS. (a) A person who is an officer, employee, or paid consultant of a trade association in the field of insurance may not be:

(1) the commissioner; or

(2) an employee of the department who is exempt from the state's position classification plan or is compensated at or above the amount prescribed by the General Appropriations Act for step 1, salary group A17, of the position classification salary schedule.

(b) A person who is the spouse of an officer, manager, or paid consultant of a trade association in the field of insurance may not be:

(1) the commissioner; or

(2) an employee of the department who is exempt from the state's position classification plan or is compensated at or above the amount prescribed by the General Appropriations Act for step 1, salary group A17, of the position classification salary schedule.

(c) In this section, "trade association" means a nonprofit, cooperative, and voluntarily joined association of business or professional competitors designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 33.005. LOBBYING ACTIVITIES. A person may not serve as the commissioner or act as the general counsel to the commissioner if the person is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to the operation of the department.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 33.006. FORMER SERVICE. A person may not serve as the commissioner if the person served as a member of the State Board of Insurance.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Sec. 33.007. PROHIBITED REPRESENTATION. (a) A person who served as the commissioner, the general counsel to the commissioner, or the public insurance counsel, or as an employee of the State Office of Administrative Hearings who was involved in hearing cases under this code, another insurance law of this state, or Title 5, Labor Code, commits an offense if the person represents another person in a matter before the department or receives compensation for services performed on behalf of another person regarding a matter pending before the department during the one-year period after the date the person ceased to be the commissioner, the general counsel to the commissioner, the public insurance counsel, or an employee of the State Office of Administrative Hearings.

(b) A person who served as a member of the State Board of Insurance or as a staff employee of a member of the State Board of Insurance, or who served as the commissioner, the general counsel to the commissioner, or the public insurance counsel or as an

employee of the department or the State Office of Administrative Hearings, commits an offense if, after the person ceased to serve, the person represents another person or receives compensation for services performed on behalf of another person regarding a matter with which the person was directly concerned during the person's service. For purposes of this subsection, a person was directly concerned with a matter if the person had personal involvement with the matter or if the matter was within the scope of the person's official responsibility.

(c) An offense under this section is a Class A misdemeanor.

(d) This section does not apply to a department employee whose position is eliminated as a direct result of a reduction in the department's workforce.

Added by Acts 1999, 76th Leg., ch. 101, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 265 (H.B. 7), Sec. 6.054, eff. September 1, 2005.