

INSURANCE CODE

TITLE 4. REGULATION OF SOLVENCY

SUBTITLE C. DELINQUENT INSURERS

CHAPTER 444. AGENCY CONTRACTS WITH CERTAIN INSURERS

Sec. 444.001. REQUIRED CONTRACT PROVISION. An agency contract entered into on or after August 27, 1973, by an insurer writing fire and casualty insurance in this state must contain, or shall be construed to contain, the following provision:

Notwithstanding any other provision of this contract, the obligation of the agent to remit written premiums to the insurer shall be changed on the commencement of a delinquency proceeding as defined by Chapter 443, Insurance Code, as amended. After the commencement of the delinquency proceeding, the obligation of the agent to remit premiums is limited to premiums earned before the cancellation date of insurance policies stated in the order of a court of competent jurisdiction under Chapter 443, Insurance Code, canceling the policies. The agent does not owe and may not be required to remit to the insurer or to the receiver any premiums that are unearned as of the cancellation date stated in the order.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.004(rr), eff. September 1, 2007.

Redesignated from Insurance Code, Section 442.801 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.004(a)(2), eff. September 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.004(rr), eff. September 1, 2007.

Sec. 444.002. DISPOSITION OF PREMIUMS. (a) On or after the cancellation date of insurance policies as stated in the court's order canceling the policies, the agent shall promptly account to the receiver for:

(1) all unearned premiums to be returned to the insured or the replacement coverage to be obtained for the insured; and

(2) the earned premiums to be paid to the receiver.

(b) The agent shall:

(1) promptly return to an insured who paid the premiums any unearned premiums in the possession of the agent on the cancellation date of the policy; or

(2) with the approval of the insured, use the unearned premiums to purchase new coverage for the insured with a different insurer.

(c) The agent shall promptly remit to the receiver any earned premiums in the possession of the agent.

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

Redesignated from Insurance Code, Section 442.802 by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.004(a)(2), eff. September 1, 2007.

Redesignated from Insurance Code, Section 442.802 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.004(a)(2), eff. September 1, 2007.

Sec. 444.003. EFFECT OF CHAPTER ON ACTION BY RECEIVER AGAINST AGENT. This chapter does not prejudice a cause of action by the receiver against an agent to recover:

(1) unearned premiums that were not returned to policyholders; or

(2) earned premiums that were not promptly remitted to the receiver.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.004(ss), eff. September 1, 2007.

Redesignated from Insurance Code, Section 442.803 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.004(a)(2), eff. September 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.004(ss), eff. September 1, 2007.

Sec. 444.004. AGENT NOT RECEIVER'S AGENT. This chapter does

not render the agent an agent of the receiver for earned or unearned premiums.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. [2636](#)), Sec. 3B.004(tt), eff. September 1, 2007.

Redesignated from Insurance Code, Section 442.804 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. [3167](#)), Sec. 9.004(a)(2), eff. September 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. [3167](#)), Sec. 9.004(tt), eff. September 1, 2007.