

INSURANCE CODE

TITLE 6. ORGANIZATION OF INSURERS AND RELATED ENTITIES

SUBTITLE A. GENERAL PROVISIONS APPLICABLE TO INSURERS AND RELATED
ENTITIES

CHAPTER 803. LOCATION OF BOOKS, RECORDS, ACCOUNTS, AND OFFICES
OUTSIDE OF THIS STATE

Sec. 803.001. DEFINITIONS. In this chapter:

(1) "Domestic company" means any entity licensed, chartered, or organized under this code, including:

- (A) a county mutual insurance company;
- (B) a farm mutual insurance company;
- (C) a fire and marine insurance company;
- (D) a fraternal benefit society;
- (E) a general casualty company;
- (F) a group hospital service corporation;
- (G) a health maintenance organization;
- (H) a life, health, and accident insurance company;
- (I) a Lloyd's plan;
- (J) a local mutual aid association;
- (K) a mutual life insurance company;
- (L) a mutual insurance company other than a mutual life insurance company;
- (M) a nonprofit legal services corporation;
- (N) a reciprocal exchange;
- (O) a statewide mutual assessment company;
- (P) a stipulated premium insurance company;
- (Q) a surety and trust company; and
- (R) a title insurance company.

(2) "Insurance holding company system" has the meaning described by Section [823.006](#).

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 1, eff. June 1, 2003.

Sec. 803.002. APPLICABILITY OF CHAPTER. This chapter applies only to a domestic company that is:

- (1) an affiliate of an insurance holding company

system and in compliance with Chapter 823;

(2) a nonprofit legal services corporation the claims and daily affairs of which are handled under contract by a foreign insurer that holds a certificate of authority to engage in a similar business in this state; or

(3) a health maintenance organization that is affiliated with another health maintenance organization or a health care provider.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 1, eff. June 1, 2003.

Sec. 803.003. AUTHORITY TO LOCATE OUT OF STATE. (a) A domestic company may locate and maintain its principal offices and all or any part of its books, records, and accounts outside this state at any other location in the United States if:

(1) the company has given written notice of this intention to the commissioner, except as provided by Subsection (b);

(2) the commissioner has not disapproved the notice before the 31st day after the date on which the company gives the notice; and

(3) the company meets the requirements of this chapter.

(b) A separate notice under this section is not required if:

(1) the domestic company has an agreement to maintain its books and records outside of the state with an affiliate; and

(2) the agreement:

(A) has been approved under Chapter 823; and

(B) contains substantially all the information required for notice under this section.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 1, eff. June 1, 2003.

Sec. 803.004. LOCATION AT BRANCH OR AGENCY OFFICE. This chapter does not apply to the location and maintenance of the normal books, records, and accounts of a domestic company, including policyholder and claim files, relating to the business produced by or through an agency of the company at a branch or agency office located in the United States, regardless of whether the agency is an

affiliate of the company as provided in Chapter 823.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 1, eff. June 1, 2003.

Sec. 803.005. CONTROL OF BOOKS, RECORDS, ACCOUNTS, AND OFFICES. (a) The books, records, accounts, or offices of a domestic company must be under the company's direct supervision, management, and control.

(b) The ultimate controlling person of an insurance holding company system affiliated with a domestic company, or the immediate or intermediate controlling person of the domestic company, must be domiciled, licensed, or admitted to transact business in a jurisdiction in the United States.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 1, eff. June 1, 2003.

Sec. 803.006. AGENT FOR SERVICE OF PROCESS. A domestic company that under this chapter has moved its principal offices and any part of its books, records, and accounts outside this state and the controlling person of an affiliated insurance holding company system must comply with Section 804.102.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 1, eff. June 1, 2003.

Sec. 803.007. EXAMINATION EXPENSES. A credit on or an offset against the amount of premium taxes to be paid by a domestic company to the state in a taxable year may not be allowed on:

(1) a fee or examination expense paid to another state; or

(2) an examination expense:

(A) incurred by a representative of the department that is directly attributable to an examination of the books, records, accounts, or principal offices of a domestic company located outside this state; or

(B) paid in a different taxable year.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 1, eff. June 1, 2003.

Sec. 803.008. RULES. The commissioner shall adopt rules to authorize a domestic company to maintain its books and records with a nonaffiliated entity other than an agency.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 1, eff. June 1, 2003.

Sec. 803.009. CONFLICTING PROVISIONS. This chapter prevails over a conflicting provision of any other law of this state, including:

(1) Chapters [221](#), [222](#), and [223](#);

(2) Sections [401.151](#), [401.152](#), [401.155](#), and [401.156](#);

and

(3) Section [171.0525](#), Tax Code.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 1, eff. June 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. [2636](#)), Sec. 2E.002, eff. April 1, 2009.