

INSURANCE CODE

TITLE 2. TEXAS DEPARTMENT OF INSURANCE

SUBTITLE B. DISCIPLINE AND ENFORCEMENT

CHAPTER 82. SANCTIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 82.001. DEFINITION. In this chapter, "authorization" means a permit, license, certificate of authority, certificate of registration, or other authorization issued or existing under the commissioner's authority or this code.

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

Sec. 82.002. APPLICATION OF CHAPTER.

(a) This chapter applies to each company regulated by the commissioner, including:

- (1) a domestic or foreign, stock or mutual, life, health, or accident insurance company;
- (2) a domestic or foreign, stock or mutual, fire or casualty insurance company;
- (3) a Mexican casualty company;
- (4) a domestic or foreign Lloyd's plan insurer;
- (5) a domestic or foreign reciprocal or interinsurance exchange;
- (6) a domestic or foreign fraternal benefit society;
- (7) a domestic or foreign title insurance company;
- (8) a stipulated premium insurance company;
- (9) a nonprofit legal service corporation;
- (10) a health maintenance organization;
- (11) a statewide mutual assessment company;
- (12) a local mutual aid association;
- (13) a local mutual burial association;
- (14) an association exempt under Section [887.102](#);
- (15) a nonprofit hospital, medical, or dental service corporation, including a company subject to Chapter [842](#);
- (16) a county mutual insurance company; and
- (17) a farm mutual insurance company.

(b) This chapter also applies to:

(1) an agent of an entity described by Subsection (a);

and

(2) an individual or a corporation, association, partnership, or other artificial person who:

(A) is engaged in the business of insurance;

(B) holds an authorization; or

(C) is regulated by the commissioner.

(c) The commissioner's authority under this chapter applies to each form of authorization and each person or entity holding an authorization.

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

Amended by Acts 2001, 77th Leg., ch. 1419, Sec. 18, eff. June 1, 2003; Acts 2001, 77th Leg., ch. 1420, Sec. 11.002, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 2B.010, eff. April 1, 2009.

Acts 2017, 85th Leg., R.S., Ch. 967 (S.B. 2065), Sec. 5.002, eff. September 1, 2017.

Sec. 82.003. PROCEEDINGS UNDER OTHER LAW. The commissioner's authority under this chapter is in addition to any other authority to enforce a sanction, penalty, fine, forfeiture, denial, suspension, or revocation otherwise authorized by law.

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

#### SUBCHAPTER B. IMPOSITION OF SANCTIONS

Sec. 82.051. CANCELLATION OR REVOCATION OF AUTHORIZATION. After notice and opportunity for a hearing, the commissioner may cancel or revoke an authorization if the holder of the authorization is found to be in violation of, or to have failed to comply with, this code or a rule of the commissioner.

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

Sec. 82.052. OTHER SANCTIONS. In addition to the

cancellation or revocation of an authorization under Section 82.051, the commissioner may:

(1) suspend the authorization for a specified time not to exceed one year;

(2) order the holder of the authorization to cease and desist from:

(A) the activity determined to be in violation of this code or a rule of the commissioner; or

(B) the failure to comply with this code or a rule of the commissioner;

(3) direct the holder of the authorization to pay an administrative penalty under Chapter 84;

(4) direct the holder of the authorization to make restitution under Section 82.053; or

(5) take any combination of those actions.

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

Sec. 82.053. RESTITUTION. (a) The commissioner may direct the holder of an authorization to make complete restitution to each Texas resident, each Texas insured, and each entity operating in this state that is harmed by a violation of, or failure to comply with, this code or a rule of the commissioner.

(b) The holder of the authorization shall make the restitution in the form and amount and within the period determined by the commissioner.

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

Sec. 82.054. CANCELLATION ON FAILURE TO COMPLY. If it is found after hearing that a holder of an authorization has failed to comply with an order issued under Section 82.052, the commissioner shall cancel each authorization held by the holder.

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

Sec. 82.055. INFORMAL DISPOSITION. (a) The commissioner may informally dispose of a matter under this subchapter by consent order, agreed settlement, stipulation, or default.

(b) An informal disposition may include a provision under

which the holder of the authorization agrees to a sanction under this subchapter with the express reservation that:

(1) the holder does not admit a violation of this code or of a rule; and

(2) the existence of a violation is in dispute.

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

Sec. 82.056. NOTICE TO OTHER STATES. The commissioner shall give notice of an action taken under this subchapter to the insurance commissioner or other similar officer of each state.

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