

INSURANCE CODE

TITLE 6. ORGANIZATION OF INSURERS AND RELATED ENTITIES

SUBTITLE B. ORGANIZATION OF REGULATED ENTITIES

CHAPTER 821. GENERAL PROVISIONS

SUBCHAPTER A. MINIMUM INSURANCE TO BE MAINTAINED BY INSURER

Sec. 821.001. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies to any insurer that is required by law to hold a certificate of authority issued by the department, including:

- (1) a domestic insurance company;
- (2) a mutual life insurance company;
- (3) a statewide mutual assessment company;
- (4) a mutual insurance company other than a life insurance company operating under Chapter 883;
- (5) a Lloyd's plan;
- (6) a reciprocal or interinsurance exchange; and
- (7) a title insurance company.

(b) This subchapter does not apply to:

- (1) an insurer before the second anniversary of the date the insurer's original certificate of authority is issued; or
- (2) an insurer that was paid more than \$50,000 in gross premium income by policyholders during the preceding accounting year of the insurer.

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

Sec. 821.002. EXEMPTIONS. This subchapter does not apply to:

- (1) a fraternal benefit society operating under Chapter 885;
- (2) a local mutual aid association or local mutual burial association operating under Chapters 886, 887, and 888;
- (3) a statewide mutual assessment company or association operating under Chapters 881, 887, or 888;
- (4) another association operating under Subchapter C, Chapter 887;
- (5) a farm mutual insurance company operating under

Chapter 911; or

(6) a county mutual fire insurance company operating under Chapter 912.

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

Sec. 821.003. MINIMUM REQUIREMENTS. An insurer must maintain at all times not less than 100 policyholders or certificate holders nor less than \$200,000 of insurance that the insurer has written or acquired through reinsurance contracts.

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

Sec. 821.004. REPORT TO ATTORNEY GENERAL; SUIT AGAINST INSURER. (a) The department shall report to the attorney general an insurer's failure to comply with this subchapter.

(b) On receiving a report under Subsection (a), the attorney general shall bring suit in a district court in Travis County against the insurer to cancel, forfeit, and revoke the insurer's:

(1) charter, articles of association, or articles of agreement; and

(2) certificate of authority.

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

SUBCHAPTER B. ASSOCIATION OF INSURANCE COMPANIES

Sec. 821.051. PAYMENT OF TAXES AND FEES; COMPLIANCE WITH LAW. (a) Life, health, fire, marine, or inland marine insurance companies that associate to issue or sell insurance policies may not engage in the business of insurance in this state until each company has:

(1) paid the company's taxes and fees that are due; and

(2) complied with all requirements of law.

(b) The commissioner may not authorize to engage in the business of insurance in this state an insurance company that does not comply with Subsection (a).

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