

INSURANCE CODE

TITLE 6. ORGANIZATION OF INSURERS AND RELATED ENTITIES

SUBTITLE H. OTHER ENTITIES

CHAPTER 962. JOB PROTECTION INSURANCE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 962.001. GENERAL DEFINITIONS. In this chapter:

(1) "Insured" means an individual whose indemnification against income loss is provided because of the individual's membership in a company or association that offers a job protection insurance plan.

(2) "Insurer" has the meaning assigned by Section [801.001](#).

(3) "Person" means an individual, corporation, association, or other legal entity.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. [2017](#)), Sec. 16, eff. April 1, 2007.

Sec. 962.002. JOB PROTECTION INSURANCE DEFINED. (a) In this chapter, "job protection insurance" means insurance providing indemnity that is:

(1) paid for loss of position arising from discharge or suspension;

(2) payable in installments that do not exceed the average monthly wage of the insured; and

(3) provided to:

(A) conductors, engineers, motormen, brakemen, switchmen, firemen, dispatchers, clerks, operators, trackmen, signalmen, and maintenance-of-way personnel of steam and electric railways; and

(B) bus drivers and truck drivers employed by common carriers.

(b) The term "job protection insurance" does not include a job benefit fund administered by and through a labor union only for the union's members.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. [2017](#)), Sec. 16, eff.

April 1, 2007.

Sec. 962.003. COMPLIANCE WITH CHAPTER REQUIRED. An insurer must comply with this chapter to write the insurance coverages authorized by Section 962.101.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

Sec. 962.004. APPLICABILITY OF OTHER LAW. An insurer operating under this chapter is subject to the following provisions, if not in conflict with this chapter:

(1) the other chapters of this code, including:

(A) Chapter 221;

(B) Chapter 281, other than any minimum capital and surplus requirements specified in that chapter;

(C) Chapter 822, including Sections 822.203, 822.205, 822.210, and 822.212;

(D) Chapter 861; and

(E) Chapter 402; and

(2) Section 171.0525, Tax Code.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

Sec. 962.005. AGENTS. Title 13 applies to the licensing and regulation of an agent authorized to solicit job protection insurance for an insurer operating under this chapter.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

SUBCHAPTER B. AUTHORITY TO ENGAGE IN BUSINESS

Sec. 962.051. QUALIFICATIONS FOR CERTIFICATE OF AUTHORITY. An insurer may not be issued a certificate of authority to operate under this chapter unless:

(1) it or a predecessor was writing the insurance coverages authorized by Section 962.101 on or before January 1, 1920, in at least one state; and

(2) it had policyholders in this state on August 29, 1983, and provides proof of that fact to the department. Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

Sec. 962.052. ISSUANCE OF CERTIFICATE OF AUTHORITY. (a) The commissioner shall issue a certificate of authority to a domestic or foreign insurer that applies for a certificate if:

(1) the applicant has:

(A) complied with the requirements of this chapter and all other requirements imposed on the applicant by law; and

(B) paid any deposit imposed by law; and

(2) the operational history of the applicant indicates a condition such that the expanded operation of the applicant in this state or the applicant's operations outside this state will not create a condition that might be hazardous to the applicant's policyholders or creditors or to the public, when that operational history is reviewed in conjunction with:

(A) the applicant's loss experience;

(B) the kinds and nature of risks insured;

(C) the financial condition of the applicant and the applicant's ownership;

(D) the applicant's proposed method of operation;

(E) the applicant's affiliations;

(F) the applicant's investments;

(G) any contracts leading to contingent liability or agreements relating to guaranty and surety, other than insurance; and

(H) the ratio of the applicant's total annual premium and net investment income to commission expenses, general insurance expenses, policy benefits paid, and required policy reserve increases.

(b) The commissioner shall file in the department's offices any documents delivered to the commissioner under this section.

(c) The certificate of authority authorizes the insurer to

engage in the kind or kinds of business in this state specified in the certificate.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

Sec. 962.053. COMPLIANCE WITH STATE LAW REQUIRED. A certificate of authority issued under this chapter continues in effect on the condition that the insurer continue to comply with the laws of this state.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

Sec. 962.054. INSURERS NOT MEETING CERTAIN REQUIREMENTS. To write the insurance coverages authorized by Section 962.101, a domestic or foreign insurer that does not meet the requirements of Sections 962.051 and 962.052 must comply with Chapters 822 and 861.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

Sec. 962.055. CAPITAL AND SURPLUS REQUIREMENTS. A domestic or foreign insurer operating under this chapter shall maintain the minimum capital and surplus required by Sections 822.054, 822.210, and 822.211.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

SUBCHAPTER C. COVERAGE

Sec. 962.101. AUTHORIZED COVERAGES. A domestic or foreign insurer operating under this chapter may write:

(1) job protection insurance; and

(2) insurance that:

(A) insures an individual described by Section 962.002(a) against bodily injury or death by accident or against disability on account of sickness or accident;

(B) grants specific hospital benefits and medical, surgical, and sick-care benefits to an individual and the

individual's family; and

(C) provides reimbursement of funeral expenses in an amount not to exceed \$200 to any person in connection with the coverage.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

Sec. 962.102. OTHER COVERAGES PROHIBITED. A domestic or foreign insurer operating under this chapter may not write coverage that is not authorized by Section 962.101.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

Sec. 962.103. APPLICABILITY OF GUARANTY FUND LAW. A guaranty fund established under this code does not provide coverage for insurance written under this chapter except as specifically provided by a law governing the fund.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

SUBCHAPTER O. ENFORCEMENT PROVISIONS

Sec. 962.701. PROHIBITED ACTS; OFFENSE. (a) A person may not:

(1) provide coverage described by Section 962.101 unless the person holds a certificate of authority to provide that coverage; or

(2) solicit insurance for an insurer authorized to provide insurance coverage under this chapter unless the person holds an insurance agent's license.

(b) A person commits an offense if the person knowingly violates Subsection (a). An offense under this subsection is a Class B misdemeanor.

(c) Venue for prosecution of an offense under this section is in Travis County.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 16, eff. April 1, 2007.

Sec. 962.702. REFUSAL TO ISSUE OR RENEW CERTIFICATE OF AUTHORITY OR LICENSE; SUSPENSION OR REVOCATION. If, after notice and hearing, the commissioner finds that the applicant, certificate holder, or license holder has violated this chapter or another provision of this code, the commissioner may refuse to issue or renew a certificate of authority or a license, or may suspend or revoke a certificate of authority or a license.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. [2017](#)), Sec. 16, eff. April 1, 2007.