

SUBJECT: Receipt of process for out-of-state insurance companies

COMMITTEE: Insurance — favorable, without amendment

VOTE: 9 ayes — Smithee, Duncan, Averitt, Counts, De La Garza, Driver, Dutton,
G. Lewis, Shields

0 nays

BACKGROUND: Insurance Code art. 1.28, sec. 1(e), requires out-of-state domestic insurance companies to appoint the Texas insurance commissioner as their attorney for service of judicial and administrative processes. Insurance Code art. 1.36, sec. 3, allows such companies to appoint persons other than the commissioner to receive process.

DIGEST: HB 770 would amend Insurance code art. 1.28 to eliminate the requirement that out-of-state companies name the insurance commissioner to receive process. Companies that do not appoint an attorney for service of process would be permitted to name the commissioner to accept service. The bill would take effect September 1, 1995.

SUPPORTERS SAY: HB 770 would eliminate a conflict in current law, simplify state requirements and possibly reduce the number of service of process citations served on the insurance commissioner and free the commissioner to conduct other state business. The Texas Department of Insurance suggested this technical change to improve operations.

OPPONENTS SAY: No apparent opposition