

## CHAPTER 204

## H.B. No. 1808

An Act relating to the definition of certain terms in and application of certain unfair competition and unfair practices laws under the Texas Life, Health and Accident Guaranty Act.

*Be it enacted by the Legislature of the State of Texas:*

**SECTION 1.** Subdivision (6), Section 5, Texas Life, Health and Accident Guaranty Act (Article 21.28-E, Insurance Code), is amended to read as follows:

(6) "Net direct written premiums" is the gross amount of premiums *and annuity considerations* collected on *annuities and* individual life and accident and health policies and certificates of group life and group accident and health insurance issued after the effective date of this Act, less premiums *and considerations* paid for reinsurance ceded, premium refunds, and dividends on said policies and certificates.

**SECTION 2.** Subdivision (7), Section 5, Texas Life, Health and Accident Guaranty Act (Article 21.28-E, Insurance Code), is amended to read as follows:

(7) "Lines of business" is policies of insurance falling within one of the [~~two~~] following categories:

1. Life Insurance.
2. Health and Accident Insurance.
3. *Annuities.*

**SECTION 3.** Section 17, Texas Life, Health and Accident Guaranty Act (Article 21.28-E, Insurance Code), is amended to read as follows:

Sec. 17. **RULES; UNFAIR PRACTICES. [~~AND REGULATIONS.~~]** (a) The State Board of Insurance is authorized and directed to issue such reasonable rules and regulations as may be necessary to carry out the various purposes and provisions of this Act, and in augmentation thereof.

(b) *The use by any person of a protection afforded by this Act in the sale of insurance constitutes unfair competition and unfair practices under Article 21.21, Insurance Code, and is subject to the provisions of that article.*

**SECTION 4.** The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 1, 1985, by the following vote: Yeas 136, Nays 0, 1 present, not voting; passed by the Senate on May 9, 1985, by the following vote: Yeas 31, Nays 0.

Approved: May 24, 1985

Effective: Immediately