

By: Sanford

H.B. No. 3255

A BILL TO BE ENTITLED

1 AN ACT
2 relating to capital stock requirements for certain insurance
3 companies.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 822.056(d), Insurance Code, is amended
6 to read as follows:

7 (d) The shareholders of an insurance company authorizing
8 shares of stock without par value must pay a total amount of at
9 least \$250,000 for the shares [~~in good faith subscribe and pay for~~
10 ~~shares representing at least 50 percent of the authorized shares~~
11 ~~without par value~~] before the company is granted a charter or has
12 its charter amended to authorize the issuance of shares without par
13 value. [~~The total amount paid for the shares must be at least~~
14 ~~\$250,000.~~]

15 SECTION 2. Section 841.057(c), Insurance Code, is amended
16 to read as follows:

17 (c) The shareholders of an insurance company authorizing
18 shares of stock without par value must pay a total amount of at
19 least \$250,000 for the shares [~~in good faith subscribe and pay for~~
20 ~~shares representing at least 50 percent of the authorized shares~~
21 ~~without par value~~] before the company is granted a charter or has
22 its charter amended to authorize the issuance of shares without par
23 value. [~~The total amount paid for the shares must be at least~~
24 ~~\$250,000.~~]

1 SECTION 3. The following provisions of the Insurance Code
2 are repealed:

- 3 (1) Section [822.055\(d\)](#);
- 4 (2) Section [841.055\(c\)](#); and
- 5 (3) Section [841.056\(d\)](#).

6 SECTION 4. This Act takes effect September 1, 2021.