

1-1 By: Eiland (Senate Sponsor - Armbrister) H.B. No. 928
1-2 (In the Senate - Received from the House April 14, 2003;
1-3 April 15, 2003, read first time and referred to Committee on State
1-4 Affairs; May 19, 2003, reported favorably by the following vote:
1-5 Yeas 7, Nays 0; May 19, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the authorized investments and transactions of certain
1-9 stipulated premium insurance companies.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter G, Chapter 884, Insurance Code, as
1-12 effective June 1, 2003, is amended by adding Section 884.311 to read
1-13 as follows:

1-14 Sec. 884.311. LAW GOVERNING INVESTMENTS; ELECTION. (a) A
1-15 stipulated premium insurance company issuing life, health, or
1-16 accident coverages or maintaining policies in force that were
1-17 issued in accordance with Subchapter I may elect that the company's
1-18 investments and transactions be governed by Article 3.33 of this
1-19 code.

1-20 (b) The election under Subsection (a) must be made by
1-21 written notice to the commissioner and is effective on the first day
1-22 of the calendar quarter following the day on which the notice is
1-23 filed with the commissioner.

1-24 (c) After the second anniversary of the effective date of an
1-25 initial election authorized by this section, the stipulated premium
1-26 insurance company may elect that the company's investments and
1-27 transactions be governed by Article 3.39 of this code.

1-28 (d) The subsequent election under Subsection (c) must be
1-29 made by written notice to the commissioner and is effective on the
1-30 first day of the calendar quarter following the day on which the
1-31 notice is filed with the commissioner.

1-32 (e) After a stipulated premium insurance company has made a
1-33 subsequent election under Subsection (c), the company may make
1-34 another election under this section, subject to the approval of the
1-35 election by the commissioner.

1-36 SECTION 2. Section 1, Article 3.33, Insurance Code, is
1-37 amended to read as follows:

1-38 Sec. 1. SCOPE. This article and the rules promulgated to
1-39 interpret and implement it shall apply to all domestic insurance
1-40 companies as defined in Section 841.001 [~~5 of Article 3.01~~] of this
1-41 code and other insurers specifically made subject to the provisions
1-42 hereof, including a stipulated premium insurance company electing
1-43 to be governed by this article under Section 884.311 of this code.
1-44 Articles 3.39, 3.40, and 3.40-1 of this code shall not be applicable
1-45 to such companies, but such articles shall continue to be
1-46 applicable to insurance companies chartered under Chapters 9, 881
1-47 [~~10~~], 884 [~~12~~], 885 [~~13~~], 886 [~~14~~], and 887 [~~22~~] of this code,
1-48 except as otherwise specifically provided in those chapters. This
1-49 article shall not limit or restrict the investments in or
1-50 transactions with or within subsidiaries and affiliates which are
1-51 made pursuant to the authority of the Texas Insurance Holding
1-52 Company System Regulatory Act (Chapter 823, Insurance Code)
1-53 [~~(Article 21.49-1, Insurance Code)~~].

1-54 SECTION 3. This Act takes effect September 1, 2003.

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