1	AN ACT
2	relating to the conversion of certain mutual life insurance companies
3	to insurance holding companies and stock life insurance companies.
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
5	SECTION 1. Chapter 882, Insurance Code, is amended by
6	adding Subchapter P to read as follows:
7	SUBCHAPTER P. CONVERSION OF MUTUAL LIFE INSURANCE COMPANY TO
8	INSURANCE HOLDING COMPANY AND STOCK LIFE INSURANCE COMPANY
9	Sec. 882.751. AUTHORITY TO CONVERT. A mutual life
10	insurance company organized or operating under this chapter may
11	convert by forming an insurance holding company based on a mutual
12	plan and continuing the corporate existence of the converting
13	mutual life insurance company as a stock life insurance company if
14	the commissioner:
15	(1) determines that the conversion is fair and
16	equitable to the policyholders of the converting company; and
17	(2) approves the proposed plan of conversion.
18	Sec. 882.752. APPLICATION OF OTHER LAW. Except to the
19	extent of a conflict with this subchapter, Chapter 826 applies to
20	conversion of a mutual life insurance company under this
21	subchapter.
22	Sec. 882.753. JURISDICTION OF COMMISSIONER. The
23	commissioner retains jurisdiction over a company that converts
24	under this subchapter.

- Sec. 882.754. INCORPORATION REQUIREMENTS. A mutual insurance holding company that results from a conversion under this subchapter must be incorporated under and subject to this chapter
- 4 and Chapter 22, Business Organizations Code.
- Sec. 882.7545. INCORPORATION REQUIREMENTS: TEMPORARY

  PROVISION. Notwithstanding Section 882.754, a mutual insurance

  holding company that results from a conversion under this

  subchapter must be incorporated under and subject to this chapter
- 8 <u>subchapter must be incorporated under and subject to this chapter</u>
- 9 and the Texas Non-Profit Corporation Act (Article 1396-1.01 et
- 10 <u>seq., Vernon's Texas Civil Statutes) or Chapter 22, Business</u>
- Organizations Code, as applicable. This section expires January 1,
- 12 2010.
- Sec. 882.755. ARTICLES OF INCORPORATION. The articles of
- 14 incorporation of a mutual insurance holding company that results
- from a conversion under this subchapter, and any amendments to the
- 16 articles of incorporation, are subject to approval by the
- 17 <u>commissioner.</u>
- Sec. 882.756. SALE OF SECURITIES. (a) A sale, issuance,
- or offering of securities under this subchapter is exempt from the
- 20 registration and licensing provisions of The Securities Act
- 21 (Article 581-1 et seq., Vernon's Texas Civil Statutes).
- 22 (b) An officer, director, or employee of a mutual life
- 23 insurance company or a mutual insurance holding company or stock
- 24 life insurance company resulting from a conversion under this
- 25 subchapter who participates in the conversion is exempt from the
- 26 <u>registration and licensing provisions of The Securities Act</u>
- 27 (Article 581-1 et seq., Vernon's Texas Civil Statutes). A person

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