

AN ACT

relating to the application of certain laws to insurers that are part of an insurance holding company system.

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

SECTION 1. Section 823.015, Insurance Code, is amended to read as follows:

Sec. 823.015. EXEMPTION FROM CHAPTER. ~~[(a) This chapter does not apply to an insurance holding company system if each affiliate in the system is privately owned by not more than five security holders, each of whom is an individual. For purposes of this subsection, a person is a security holder of another if the person owns any security of the other person, including common stock, preferred stock, a debt obligation, and any other security convertible into or evidencing the right to acquire stock or a debt obligation.]~~

~~[(b)]~~ The commissioner may exempt from the application of this chapter a commercially domiciled insurer that the commissioner determines has assets physically located in this state or an asset-to-liability ratio sufficient to justify the conclusion that there is no reasonable danger that the operations or conduct of the business of the insurer could present a danger of loss to the policyholders of this state.

SECTION 2. An insurance holding company system that becomes subject to Chapter 823, Insurance Code, as a result of the repeal of

1 Subsection (a), Section 823.015, Insurance Code, by Section 1 of
2 this Act is not required to comply with Chapter 823, Insurance Code,
3 until January 1, 2006.

4 SECTION 3. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1283 passed the Senate on April 21, 2005, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 27, 2005, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1283 passed the House, with amendments, on May 25, 2005, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor