

By: Smith of Tarrant

H.B. No. 2550

A BILL TO BE ENTITLED

1 AN ACT

2 relating to authorized investments in securities or property for
3 foreign companies.

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

5 SECTION 1. Section 982.105(a), Insurance Code, is amended
6 to read as follows:

7 (a) A foreign or alien life insurance company, accident
8 insurance company, life and accident insurance company, health and
9 accident insurance company, or life, health, and accident insurance
10 company is subject to Sections 422.051(a), 841.054, 841.201,
11 841.204, 841.205, 841.207, 841.301, and 841.302. The department
12 may not issue a certificate of authority to a foreign or alien stock
13 insurance company, and the company may not engage in any business of
14 life, health, or accident insurance in this state, unless the
15 company possesses at least the minimum capital and surplus required
16 for a similar domestic insurance company organized under Chapter
17 841 in similar circumstances. The minimum capital and surplus and
18 reserves must be invested in the same character of investments as
19 required for a domestic insurance company.

20 SECTION 2. EFFECTIVE DATE. This Act takes effect
21 immediately if it receives a vote of two-thirds of all the members
22 elected to each house, as provided by Section 39, Article III, Texas
23 Constitution. If this Act does not receive the vote necessary for
24 immediate effect, this Act takes effect September 1, 2007.