

By: Sheets

H.B. No. 1047

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain surety companies.

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

SECTION 1. Section 221.002(c), Insurance Code, is amended to read as follows:

(c) The following premium receipts are not included in determining an insurer's taxable premium receipts:

(1) premium receipts received from the business of title insurance;

(2) premium receipts received from the business of life insurance, personal accident insurance, life and accident insurance, or health and accident insurance for profit, written by a life insurance company, life and accident insurance company, health and accident insurance company, or for mutual benefit or protection in this state;

(3) premium receipts received from another authorized insurer for reinsurance;

(4) returned premiums and dividends paid to policyholders; ~~and~~

(5) premiums excluded by another law of this state; and

(6) premiums or service fees retained by a bail bond surety licensed under Chapter 1704, Occupations Code, or by a property and casualty agent in connection with the execution or

1 delivery of a bail bond as defined by Section 1704.001, Occupations
2 Code.

3 SECTION 2. Subchapter E, Chapter 3503, Insurance Code, is
4 amended by adding Sections 3503.202, 3503.203, and 3503.204 to read
5 as follows:

6 Sec. 3503.202. UNEARNED PREMIUM RESERVE FOR BAIL BOND NOT
7 REQUIRED. A surety company is not required to maintain an unearned
8 premium reserve for a bail bond, as defined by Section 1704.001,
9 Occupations Code, executed or delivered by the company.

10 Sec. 3503.203. DIRECT WRITTEN PREMIUM CALCULATION. Direct
11 written premium reported by a surety company in a financial
12 statement filed with the department may be calculated excluding any
13 premiums or service fees retained by a bail bond surety licensed
14 under Chapter 1704, Occupations Code, or by a property and casualty
15 agent in connection with the execution or delivery of a bail bond as
16 defined by Section 1704.001, Occupations Code.

17 Sec. 3503.204. DISCLOSURE REQUIREMENTS. A surety company
18 that executes or delivers in this state a bail bond as defined by
19 Section 1704.001, Occupations Code, shall disclose in the company's
20 financial statement filed with the department the aggregate amount
21 of:

22 (1) gross premium for bail bond business reported in
23 the company's surety line of business;

24 (2) premium or service fees retained by the bail bond
25 surety or agent; and

26 (3) premium for bail bond business received by the
27 company, net of amounts retained by the bail bond surety or agent.

1 SECTION 3. This Act takes effect September 1, 2013.