

1-1 By: Sheets (Senate Sponsor - Estes) H.B. No. 1047
 1-2 (In the Senate - Received from the House May 6, 2013;
 1-3 May 7, 2013, read first time and referred to Committee on Business
 1-4 and Commerce; May 14, 2013, reported favorably by the following
 1-5 vote: Yeas 9, Nays 0; May 14, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the regulation of certain surety companies.
 1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-21 SECTION 1. Section 221.002(c), Insurance Code, is amended
 1-22 to read as follows:
 1-23 (c) The following premium receipts are not included in
 1-24 determining an insurer's taxable premium receipts:
 1-25 (1) premium receipts received from the business of
 1-26 title insurance;
 1-27 (2) premium receipts received from the business of
 1-28 life insurance, personal accident insurance, life and accident
 1-29 insurance, or health and accident insurance for profit, written by
 1-30 a life insurance company, life and accident insurance company,
 1-31 health and accident insurance company, or for mutual benefit or
 1-32 protection in this state;
 1-33 (3) premium receipts received from another authorized
 1-34 insurer for reinsurance;
 1-35 (4) returned premiums and dividends paid to
 1-36 policyholders; ~~and~~
 1-37 (5) premiums excluded by another law of this state;
 1-38 and
 1-39 (6) premiums or service fees retained by a bail bond
 1-40 surety licensed under Chapter 1704, Occupations Code, or by a
 1-41 property and casualty agent in connection with the execution or
 1-42 delivery of a bail bond as defined by Section 1704.001, Occupations
 1-43 Code.
 1-44 SECTION 2. Subchapter E, Chapter 3503, Insurance Code, is
 1-45 amended by adding Sections 3503.202, 3503.203, and 3503.204 to read
 1-46 as follows:
 1-47 Sec. 3503.202. UNEARNED PREMIUM RESERVE FOR BAIL BOND NOT
 1-48 REQUIRED. A surety company is not required to maintain an unearned
 1-49 premium reserve for a bail bond, as defined by Section 1704.001,
 1-50 Occupations Code, executed or delivered by the company.
 1-51 Sec. 3503.203. DIRECT WRITTEN PREMIUM CALCULATION. Direct
 1-52 written premium reported by a surety company in a financial
 1-53 statement filed with the department may be calculated excluding any
 1-54 premiums or service fees retained by a bail bond surety licensed
 1-55 under Chapter 1704, Occupations Code, or by a property and casualty
 1-56 agent in connection with the execution or delivery of a bail bond as
 1-57 defined by Section 1704.001, Occupations Code.
 1-58 Sec. 3503.204. DISCLOSURE REQUIREMENTS. A surety company
 1-59 that executes or delivers in this state a bail bond as defined by
 1-60 Section 1704.001, Occupations Code, shall disclose in the company's
 1-61 financial statement filed with the department the aggregate amount

2-1 of:
2-2 (1) gross premium for bail bond business reported in
2-3 the company's surety line of business;
2-4 (2) premium or service fees retained by the bail bond
2-5 surety or agent; and
2-6 (3) premium for bail bond business received by the
2-7 company, net of amounts retained by the bail bond surety or agent.
2-8 SECTION 3. This Act takes effect September 1, 2013.

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