

By: Sheets

H.B. No. 2671

A BILL TO BE ENTITLED

AN ACT

relating to security deposit requirements for certain insurance companies.

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

SECTION 1. Sections 861.252(b) and (d), Insurance Code, are amended to read as follows:

(b) If, as a prerequisite to engaging in the business of insurance in another state, country, or province, a general casualty company is required to deposit with the appropriate officer of that state, country, or province, or with the comptroller, securities or cash [~~in excess of the deposit made under Subsection (a)~~], the company may deposit with the comptroller any authorized securities or cash sufficient to meet the requirement. The comptroller shall receive and hold the deposit exclusively for the protection of policyholders of the company.

(d) A general casualty company may change the company's securities on deposit with the comptroller by withdrawing those securities and substituting an equal amount of other securities consisting only of:

(1) United States currency;

(2) bonds of any state;

(3) bonds or other evidences of indebtedness of the United States the principal and interest of which are guaranteed by the United States;

1 (4) bonds or other interest-bearing evidences of
2 indebtedness of a county or municipality of any state;

3 (5) notes secured by first mortgages:

4 (A) on otherwise unencumbered real property in
5 this state the title to which is valid; and

6 (B) the payment of which is insured wholly or
7 partly by the United States; or

8 (6) another form of security acceptable to the
9 commissioner [~~authorized by Subsection (a)~~].

10 SECTION 2. Sections 861.252(a) and 982.306, Insurance Code,
11 are repealed.

12 SECTION 3. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2013.