

1-1 By: Creighton S.B. No. 1093
 1-2 (In the Senate - Filed March 9, 2015; March 16, 2015, read
 1-3 first time and referred to Committee on Business and Commerce;
 1-4 April 9, 2015, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 9, Nays 0; April 9, 2015,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
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	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1093 By: Eltife

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to credit to certain ceding insurers for reinsurance ceded
 1-22 to certain assuming insurers.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 492.104(b), Insurance Code, is amended
 1-25 to read as follows:

1-26 (b) The funds held as security:

1-27 (1) must be held in the United States subject to
 1-28 withdrawal solely by and under the exclusive control of the ceding
 1-29 insurer or, in the case of a trust, held in a qualified United
 1-30 States financial institution that has been granted the authority to
 1-31 operate with fiduciary powers; and

1-32 (2) may be in the form of:

1-33 (A) cash;

1-34 (B) securities that[+]

1-35 ~~[(i) are readily marketable over a national~~
 1-36 ~~exchange;~~

1-37 ~~[(ii) have a maturity date of not later than~~
 1-38 ~~one year;~~

1-39 ~~[(iii)]~~ are listed by the Securities
 1-40 Valuation Office of the National Association of Insurance
 1-41 Commissioners[+] and

1-42 ~~[(iv)]~~ qualify as admitted assets;

1-43 (C) subject to Section 492.105, a clean,
 1-44 irrevocable, unconditional letter of credit, issued or confirmed by
 1-45 a qualified United States financial institution that has been
 1-46 determined by the commissioner or the Securities Valuation Office
 1-47 of the National Association of Insurance Commissioners to meet the
 1-48 standards of financial condition and standing that are considered
 1-49 necessary and appropriate to regulate the quality of financial
 1-50 institutions whose letters of credit will be acceptable to the
 1-51 commissioner; or

1-52 (D) another form of security acceptable to the
 1-53 commissioner.

1-54 SECTION 2. Section 493.104(b), Insurance Code, is amended
 1-55 to read as follows:

1-56 (b) The funds held as security:

1-57 (1) must be held in the United States subject to
 1-58 withdrawal solely by and under the exclusive control of the ceding
 1-59 insurer or, in the case of a trust, held in a qualified United
 1-60 States financial institution that has been granted the authority to

2-1 operate with fiduciary powers; and
 2-2 (2) may be in the form of:
 2-3 (A) cash;
 2-4 (B) securities that[+
 2-5 [~~(i) are readily marketable over a national~~
 2-6 ~~exchange,~~
 2-7 [~~(ii) have a maturity date of not later than~~
 2-8 ~~one year,~~
 2-9 [~~(iii)~~] are listed by the Securities
 2-10 Valuation Office of the National Association of Insurance
 2-11 Commissioners[+] and
 2-12 [~~(iv)~~] qualify as admitted assets;
 2-13 (C) subject to Section 493.105, a clean,
 2-14 irrevocable, unconditional letter of credit, issued or confirmed by
 2-15 a qualified United States financial institution that has been
 2-16 determined by the commissioner or the Securities Valuation Office
 2-17 of the National Association of Insurance Commissioners to meet the
 2-18 standards of financial condition and standing that are considered
 2-19 necessary and appropriate to regulate the quality of financial
 2-20 institutions whose letters of credit will be acceptable to the
 2-21 commissioner; or
 2-22 (D) another form of security acceptable to the
 2-23 commissioner.

2-24 SECTION 3. This Act applies to funds held as security on or
 2-25 after the effective date of this Act.

2-26 SECTION 4. This Act takes effect September 1, 2015.

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