

AN ACT

relating to the authority of a captive insurance company to provide reinsurance.

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

SECTION 1. Section 964.052(a), Insurance Code, is amended to read as follows:

(a) A captive insurance company may provide reinsurance to an insurer covering the operational risks of the captive insurance company's affiliates, or risks of a controlled unaffiliated business, that the captive insurance company may insure directly under Section 964.051 and:

(1) employee benefit plans offered by affiliates;

(2) liability insurance an affiliate must maintain as a prerequisite for obtaining a license or permit if the law requires maintenance of the liability insurance; ~~and~~

(3) credit life insurance and credit disability insurance offered as a part of, or directly relating to, the operational risks of an affiliate; and

(4) workers' compensation insurance and employer liability policies issued to affiliates if the insurer that directly issues workers' compensation insurance and employer's liability policies or its licensed, if required by law, administrator or adjuster:

(A) services all claims incurred during the

1 policy period; and

2 (B) complies with all requirements for an insurer  
3 under this code, including Chapter 462, and under Title 5, Labor  
4 Code.

5 SECTION 2. This Act takes effect September 1, 2017.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1187 was passed by the House on April 26, 2017, by the following vote: Yeas 147, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 1187 was passed by the Senate on May 19, 2017, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor