

By: Davis of Dallas

H.B. No. 2144

A BILL TO BE ENTITLED

AN ACT

relating to disclosure of foreign ownership of insurers authorized to engage in the business of insurance in this state.

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

SECTION 1. Chapter 38, Insurance Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. REPORTING REGARDING FOREIGN OWNERSHIP INTERESTS

Sec. 38.501. APPLICABILITY. This subchapter applies to an entity authorized to engage in the business of insurance in this state that has issued any class of equity securities.

Sec. 38.502. DEFINITION. In this subchapter, "major shareholder" means an individual, corporation, partnership, association, joint stock company, business trust, or unincorporated organization that is directly or indirectly the beneficial owner of more than 10 percent of any class of an equity security of an entity described by Section 38.501.

Sec. 38.503. REPORTING REGARDING OWNERSHIP INTERESTS IN INSURERS. (a) An entity described by Section 38.501 shall file with the department an annual report that identifies each majority shareholder in the entity that, as of the date of the report, is:

(1) an entity organized under the laws of another country or that has its principal place of business in another country; or

(2) an individual who is a resident of another

1 country.

2 (b) The department shall make available on the department's
3 Internet website a report submitted under Subsection (a) until at
4 least the third anniversary of the date the report is submitted.

5 SECTION 2. Not later than December 31, 2017, the
6 comptroller of public accounts shall adopt rules as necessary to
7 implement Subchapter K, Chapter 38, Insurance Code, as added by
8 this Act. The rules must require that an insurer subject to that
9 subchapter submit the initial annual report required under that
10 subchapter not later than the 60th day after the effective date of
11 the rules.

12 SECTION 3. This Act takes effect September 1, 2017.