

1-1 By: Holland, Longoria (Senate Sponsor - Buckingham) H.B. No. 2579  
 1-2 (In the Senate - Received from the House April 24, 2017;  
 1-3 May 1, 2017, read first time and referred to Committee on Business  
 1-4 & Commerce; May 10, 2017, reported favorably by the following vote:  
 1-5 Yeas 7, Nays 0; May 10, 2017, 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 bond and other coverages required to be maintained  
 1-20 by or for the benefit of a savings bank.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 92.156, Finance Code, is amended to read  
 1-23 as follows:

1-24 Sec. 92.156. FINANCIAL INSTITUTION BOND [~~INDEMNITY BONDS OF~~  
 1-25 ~~DIRECTORS, OFFICERS, AND EMPLOYEES~~]. (a) A savings bank shall  
 1-26 maintain a financial institution [~~blanket indemnity~~] bond that  
 1-27 provides [~~with an~~] adequate coverage to protect [~~corporate surety~~  
 1-28 ~~protecting~~] the savings bank from loss:

1-29 (1) by or through dishonest or criminal action or  
 1-30 omission, including fraud, theft, or misplacement [~~robbery, or~~  
 1-31 ~~burglary~~], by any of the following persons:

1-32 (A) an officer or employee of the savings bank;

1-33 (B) an attorney retained by the savings bank;

1-34 (C) a nonemployee performing data processing  
 1-35 services for the savings bank; or

1-36 (D) a director of the savings bank performing a  
 1-37 [~~when the director performs the~~] duty of an officer or employee; or

1-38 (2) by other perils such as robbery, burglary,  
 1-39 forgery, or alteration.

1-40 (b) A savings bank that employs a collection agent who is  
 1-41 not covered by the bond required by Subsection (a) shall:

1-42 (1) ensure that the savings bank is included as a loss  
 1-43 payee in the collection agent's crime coverage; and

1-44 (2) obtain a certificate of insurance evidencing the  
 1-45 sufficiency of the collection agent's crime coverage [~~provide for~~  
 1-46 ~~the bonding of the agent in an amount equal to at least twice the~~  
 1-47 ~~average monthly collection of the agent unless the agent is a~~  
 1-48 ~~financial institution insured by the Federal Deposit Insurance~~  
 1-49 ~~Corporation. An agent shall settle with the savings bank at least~~  
 1-50 ~~monthly~~].

1-51 (c) Subject to rules adopted under Subsection (e), the board  
 1-52 shall, at least annually, review and approve:

1-53 (1) the coverage, including the amount of the  
 1-54 coverage, provided by the bond and the form of the bond; and

1-55 (2) the sustainability [~~sufficiency~~] of the corporate  
 1-56 surety or insurer that issued the bond.

1-57 (d) The bond must provide that a cancellation or other  
 1-58 termination by the corporate surety or insurer or by the insured is  
 1-59 not effective until the earlier of:

1-60 (1) the date the commissioner approves; or

1-61 (2) the 30th day after the date written notice of the

2-1 cancellation is given to the commissioner.

2-2 (e) The finance commission may adopt rules establishing:

2-3 (1) the coverage, including the amount of the  
2-4 coverage, that must be provided by the bond and the form of the  
2-5 bond; and

2-6 (2) the sustainability [~~sufficiency~~] of the corporate  
2-7 surety or insurer that issues the bond.

2-8 SECTION 2. Not later than January 1, 2018:

2-9 (1) a savings bank that maintains a bond under Section  
2-10 92.156, Finance Code, on the effective date of this Act shall obtain  
2-11 a bond that satisfies the requirements of Section 92.156, Finance  
2-12 Code, as amended by this Act; and

2-13 (2) a collection agent employed by a savings bank  
2-14 shall maintain crime coverage in compliance with Section 92.156(b),  
2-15 Finance Code, as amended by this Act.

2-16 SECTION 3. This Act takes effect September 1, 2017.

2-17

\* \* \* \* \*