

By: Hancock  
(Smithee)

S.B. No. 1073

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to registration statement and reporting requirements of  
3 insurers in an insurance holding company system.

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

5 SECTION 1. Section 823.054(b), Insurance Code, is amended  
6 to read as follows:

7 (b) If the amount of a single transaction or the total  
8 amount of all transactions involving sales, purchases, exchanges,  
9 loans or other extensions of credit, or investments is more than  
10 ~~[the lesser of]~~ one-half of one percent of an insurer's admitted  
11 assets ~~[or five percent of an insurer's surplus,]~~ as of December 31  
12 of the year preceding the date of the transaction or transactions,  
13 the transaction or transactions, respectively, are considered to be  
14 material for purposes of this section.

15 SECTION 2. Sections 823.0595(d) and (f), Insurance Code,  
16 are amended to read as follows:

17 (d) Except as provided by Subsection (e), the ultimate  
18 controlling person of a domestic [an] insurer that is authorized,  
19 admitted, or eligible to engage in the business of insurance only in  
20 this state and has [with] total direct or assumed annual premiums of  
21 less than \$300 million is not required to submit an enterprise risk  
22 report under Subsection (a) unless the ultimate controlling person  
23 of the domestic insurer also controls other insurers that do not  
24 meet the requirements of this subsection. For the purposes of this

1 subsection, an insurer is not considered to be authorized,  
2 admitted, or eligible to engage in the business of insurance only in  
3 this state if the insurer directly or indirectly writes or assumes  
4 insurance in any manner in another state.

5 (f) An insurer [~~or health maintenance organization~~] that in  
6 the preceding calendar year had direct written and assumed premiums  
7 of more than \$300 million but less than \$500 million and otherwise  
8 meets the requirements of Subsection (d) may request an exemption  
9 from the reporting requirements of Subsection (a) by filing with  
10 the commissioner a written statement describing the undue financial  
11 or organizational hardship the insurer [~~or health maintenance~~  
12 ~~organization~~] would suffer as a result of complying with Subsection  
13 (a). The commissioner may grant the exemption if the commissioner  
14 finds that compliance with Subsection (a) would impose an undue  
15 financial or organizational hardship on the insurer [~~or health~~  
16 ~~maintenance organization~~].

17 SECTION 3. This Act takes effect immediately if it receives  
18 a vote of two-thirds of all the members elected to each house, as  
19 provided by Section 39, Article III, Texas Constitution. If this  
20 Act does not receive the vote necessary for immediate effect, this  
21 Act takes effect September 1, 2017.