

By: Hancock

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. Section 823.0595(a), Insurance Code, is amended
16 to read as follows:

17 (a) The ~~[Except as provided by Subsections (d) and (f), the]~~
18 ultimate controlling person, as defined by Section 823.055, of each
19 insurer required to file an annual registration shall file with the
20 registration an annual enterprise risk report. The report must, to
21 the best of the ultimate controlling person's knowledge, identify
22 the material risks within the insurance holding company system that
23 may pose enterprise risk to the insurer. The report must be filed
24 with the lead state commissioner of the insurance holding company

1 system, as determined by the commissioner. In determining the lead
2 state commissioner, the commissioner shall consider the procedures
3 adopted by the National Association of Insurance Commissioners.

4 SECTION 3. Sections 823.0595(d), (e), and (f), Insurance
5 Code, are repealed.

6 SECTION 4. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2017.