

1-1 By: Hancock S.B. No. 1073
 1-2 (In the Senate - Filed February 23, 2017; March 7, 2017,
 1-3 read first time and referred to Committee on Business & Commerce;
 1-4 April 10, 2017, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 1; April 10, 2017,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Hancock	X			
1-9 Creighton	X			
1-10 Campbell	X			
1-11 Estes	X			
1-12 Nichols	X			
1-13 Schwertner	X			
1-14 Taylor of Galveston		X		
1-15 Whitmire	X			
1-16 Zaffirini	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1073 By: Hancock

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to registration statement and reporting requirements of
 1-22 insurers in an insurance holding company system.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 823.054(b), Insurance Code, is amended
 1-25 to read as follows:

1-26 (b) If the amount of a single transaction or the total
 1-27 amount of all transactions involving sales, purchases, exchanges,
 1-28 loans or other extensions of credit, or investments is more than
 1-29 ~~[the lesser of]~~ one-half of one percent of an insurer's admitted
 1-30 assets ~~[or five percent of an insurer's surplus,]~~ as of December 31
 1-31 of the year preceding the date of the transaction or transactions,
 1-32 the transaction or transactions, respectively, are considered to be
 1-33 material for purposes of this section.

1-34 SECTION 2. Sections 823.0595(d) and (f), Insurance Code,
 1-35 are amended to read as follows:

1-36 (d) Except as provided by Subsection (e), the ultimate
 1-37 controlling person of a domestic ~~[an]~~ insurer that is authorized,
 1-38 admitted, or eligible to engage in the business of insurance only in
 1-39 this state and has ~~[with]~~ total direct or assumed annual premiums of
 1-40 less than \$300 million is not required to submit an enterprise risk
 1-41 report under Subsection (a) unless the ultimate controlling person
 1-42 of the domestic insurer also controls other insurers that do not
 1-43 meet the requirements of this subsection. For the purposes of this
 1-44 subsection, an insurer is not considered to be authorized,
 1-45 admitted, or eligible to engage in the business of insurance only in
 1-46 this state if the insurer directly or indirectly writes or assumes
 1-47 insurance in any manner in another state.

1-48 (f) An insurer ~~[or health maintenance organization]~~ that in
 1-49 the preceding calendar year had direct written and assumed premiums
 1-50 of more than \$300 million but less than \$500 million and otherwise
 1-51 meets the requirements of Subsection (d) may request an exemption
 1-52 from the reporting requirements of Subsection (a) by filing with
 1-53 the commissioner a written statement describing the undue financial
 1-54 or organizational hardship the insurer ~~[or health maintenance~~
 1-55 organization] would suffer as a result of complying with Subsection
 1-56 (a). The commissioner may grant the exemption if the commissioner
 1-57 finds that compliance with Subsection (a) would impose an undue
 1-58 financial or organizational hardship on the insurer ~~[or health~~
 1-59 maintenance organization].

1-60 SECTION 3. This Act takes effect immediately if it receives

2-1 a vote of two-thirds of all the members elected to each house, as
2-2 provided by Section 39, Article III, Texas Constitution. If this
2-3 Act does not receive the vote necessary for immediate effect, this
2-4 Act takes effect September 1, 2017.

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