**BILL ANALYSIS**

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| Senate Research Center | H.B. 3771 |
| 86R24196 AJA-F | By: Oliverson (Zaffirini) |
|  | Business & Commerce |
|  | 5/20/2019 |
|  | Engrossed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 3771 amends current law relating to the approval of insurance companies to provide certain structured settlement annuity contracts.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 142.009(b), Property Code, as follows:

(b) Authorizes the court, in approving an insurance company under Subsection (a)(3), to consider whether the company:

(1) holds an issuer credit rating equivalent to a National Association of Insurance Commissioners NAIC 1 designation from a national or international rating agency that, rather than holds an industry rating equivalent to at least two of the following rating organizations:

(A) has registered with the Securities and Exchange Commission, rather than A.M. Best Company: A++ or A+;

(B) is designated as a nationally recognized statistical rating organization, rather than Duff & Phelps Credit Rating Company Insurance Company Claims Paying Ability Rating: AA-, AA, AA+, or AAA;

(C) is on the list of Credit Rating Providers by the Securities Valuation Office of the National Association of Insurance Commissioners, rather than Moody's Investors Service Claims Paying Ability Rating: Aa3, Aa2, Aa1, or aaa; or

Deletes Paragraph D relating to Standard & Poor's Corporation Insurer Claims-Paying Ability Rating: AA-, AA, AA+, or AAA.

SECTION 2. Effective date: upon passage or September 1, 2019.