

BILL ANALYSIS

Senate Research Center
86R24196 AJA-F

H.B. 3771
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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.