

By: Oliverson

H.B. No. 3771

A BILL TO BE ENTITLED

AN ACT

relating to the approval of insurance companies to provide certain structured settlement annuity contracts.

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

SECTION 1. Section 142.009, Property Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) In approving an insurance company under Subsection (a)(3), the court may consider whether the company:

(1) holds an issuer credit ~~[an industry]~~ rating equivalent to a NAIC 1 designation from a national or international ~~[at least two of the following]~~ rating agency that ~~[organizations]:~~

(A) has registered with the Securities and Exchange Commission ~~[A. M. Best Company: A++ or A+];~~

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

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

~~[(D) Standard & Poor's Corporation Insurer Claims-Paying Ability Rating: AA-, AA, AA+, or AAA];~~

1 (2) is an affiliate, as that term is described by
2 Section 823.003, Insurance Code, of a liability insurance carrier
3 involved in the suit for which the structured settlement is
4 created; or

5 (3) is connected in any way to a person obligated to
6 fund the structured settlement.

7 (c) The presiding judge may resolve disputes regarding
8 which company will provide the annuity contract for a structured
9 settlement by making a determination that is in the best interests
10 of the beneficiary of the structured settlement, taking into
11 account factors customarily considered in making a determination
12 under Section 141.004, Civil Practice and Remedies Code.

13 SECTION 2. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2019.