87R8373 SCL-F

By:  Sanford H.B. No. 3255

A BILL TO BE ENTITLED

AN ACT

relating to capital stock requirements for certain insurance companies.

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

SECTION 1.  Section 822.056(d), Insurance Code, is amended to read as follows:

(d)  The shareholders of an insurance company authorizing shares of stock without par value must pay a total amount of at least $250,000 for the shares [~~in good faith subscribe and pay for shares representing at least 50 percent of the authorized shares without par value~~] before the company is granted a charter or has its charter amended to authorize the issuance of shares without par value. [~~The total amount paid for the shares must be at least $250,000.~~]

SECTION 2.  Section 841.057(c), Insurance Code, is amended to read as follows:

(c)  The shareholders of an insurance company authorizing shares of stock without par value must pay a total amount of at least $250,000 for the shares [~~in good faith subscribe and pay for shares representing at least 50 percent of the authorized shares without par value~~] before the company is granted a charter or has its charter amended to authorize the issuance of shares without par value. [~~The total amount paid for the shares must be at least $250,000.~~]

SECTION 3.  The following provisions of the Insurance Code are repealed:

(1)  Section 822.055(d);

(2)  Section 841.055(c); and

(3)  Section 841.056(d).

SECTION 4.  This Act takes effect September 1, 2021.