

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.~~]

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2 are repealed:

- 3 (1) Section [822.055\(d\)](#);
- 4 (2) Section [841.055\(c\)](#); and
- 5 (3) Section [841.056\(d\)](#).

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