

1-1 By: Kolkhorst S.B. No. 918  
 1-2 (In the Senate - Filed March 2, 2021; March 11, 2021, read  
 1-3 first time and referred to Committee on Business & Commerce;  
 1-4 March 31, 2021, reported favorably by the following vote: Yeas 9,  
 1-5 Nays 0; March 31, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the size, terms, and election of boards of directors of  
 1-20 certain insurance companies.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 822.152(b), Insurance Code, is amended  
 1-23 to read as follows:

1-24 (b) The board consists of not fewer than five [~~seven~~]  
 1-25 directors. A director:

1-26 (1) is not required to be a shareholder unless such a  
 1-27 qualification is required by the articles of incorporation or  
 1-28 bylaws of the company; and

1-29 (2) serves until the director's successor is elected  
 1-30 and accepts the position.

1-31 SECTION 2. Section 822.153(b), Insurance Code, is amended  
 1-32 to read as follows:

1-33 (b) The shareholders of an insurance company shall meet  
 1-34 annually [~~before May 1 of each year~~] as provided by the company's  
 1-35 bylaws to elect successor directors.

1-36 SECTION 3. Section 841.153(b), Insurance Code, is amended  
 1-37 to read as follows:

1-38 (b) After the directors are first elected under this  
 1-39 section, the annual meeting must be held [~~before May 1 of~~] each year  
 1-40 as established by the company's bylaws. The directors serve  
 1-41 one-year terms beginning immediately after the election, except as  
 1-42 provided by Section 841.154.

1-43 SECTION 4. The heading to Section 841.154, Insurance Code,  
 1-44 is amended to read as follows:

1-45 Sec. 841.154. STAGGERED TERMS FOR [~~LARGE BOARD OF~~]  
 1-46 DIRECTORS.

1-47 SECTION 5. Section 841.154(a), Insurance Code, is repealed.

1-48 SECTION 6. The changes in law made by this Act apply only to  
 1-49 the election of members of the board of directors of an insurance  
 1-50 company who are elected on or after the effective date of this Act.  
 1-51 The election of members of the board of directors of an insurance  
 1-52 company who were elected before the effective date of this Act is  
 1-53 governed by the law in effect when that election was held, and that  
 1-54 law is continued in effect for that purpose.

1-55 SECTION 7. This Act takes effect September 1, 2021.

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