

## **BILL ANALYSIS**

H.B. 1903  
By: Smithee  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Texas law requires insurance companies to issue at least 50 percent of their authorized shares of stock before receiving a charter or filing a charter amendment to increase their authorized shares. Because capital stock requirements differ from state to state, Texas-domiciled insurers sometimes must request TDI approval to increase the number of authorized shares before expanding to other states. The Texas Department of Insurance recommends removing this 50 percent requirement, as doing so would reduce regulatory burdens on insurers without harming consumers. H.B. 1903 removes the requirement from the law.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1903 amends the Insurance Code to eliminate requirements for insurance companies to issue at least 50 percent of their authorized shares of stock before being granted a charter or filing certain charter amendments relating to the authorized issuance of shares.

H.B. 1903 repeals the following provisions of the Insurance Code:

- Section 822.055(d);
- Section 841.055(c); and
- Section 841.056(d).

### **EFFECTIVE DATE**

September 1, 2023.