By:  Smithee (Senate Sponsor - Parker) H.B. No. 1903

(In the Senate - Received from the House April 17, 2023; April 18, 2023, read first time and referred to Committee on Business & Commerce; May 19, 2023, reported favorably by the following vote: Yeas 10, Nays 0; May 19, 2023, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Schwertner           X

King                 X

Birdwell                       X

Campbell             X

Creighton            X

Johnson              X

Kolkhorst            X

Menéndez             X

Middleton            X

Nichols              X

Zaffirini            X

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  The following provisions of the Insurance Code are repealed: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, 2023.

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