

By: Dean

H.B. No. 4432

Substitute the following for H.B. No. 4432:

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C.S.H.B. No. 4432

A BILL TO BE ENTITLED

AN ACT

relating to the qualifications of members of the board of directors of the Texas Mutual Insurance Company.

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

SECTION 1. Section 2054.052(b), Insurance Code, is amended to read as follows:

(b) An individual may not serve as a board member if the individual or [7] another individual related to the individual within the first [second] degree by consanguinity or affinity[~~7, or another individual residing in the same household with the individual~~]:

(1) is a [registered or] licensed insurance agent [~~under this code or is required to be registered or licensed under this code~~];

(2) serves as an employee, officer, director, or [~~is employed by or acts as a~~] consultant or in any other capacity for an insurer writing workers' compensation insurance in this state or an affiliate of an insurer writing workers' compensation insurance in this state [~~to a person registered or licensed under this code or required to be registered or licensed under this code~~];

(3) owns, controls, has a financial interest in, or participates in the management of an insurer writing workers' compensation insurance in this state or an affiliate of an insurer writing workers' compensation insurance in this state

1 ~~[organization registered or licensed under this code or required to~~
2 ~~be registered or licensed under this code];~~

3 (4) receives a substantial tangible benefit from the
4 company or the department; or

5 (5) is an officer, employee, or consultant of an
6 association in the field of insurance.

7 SECTION 2. Section 2054.052(b), Insurance Code, as amended
8 by this Act, does not affect the entitlement of a member serving on
9 the board of directors of the Texas Mutual Insurance Company
10 immediately before the effective date of this Act to continue to
11 serve for the remainder of the member's term.

12 SECTION 3. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2025.