

By: \_\_\_\_\_

\_\_ .B. No. \_\_

A BILL TO BE ENTITLED

1 AN ACT

2 relating to material information required on a registration  
3 statement and to the filing of an enterprise risk report.

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

5 SECTION 1. Section 823.054, Insurance Code, is amended to  
6 read as follows:

7 Sec. 823.054. MATERIAL INFORMATION. (b) If the amount of a  
8 single transaction or the total amount of all transactions  
9 involving sales, purchases, exchanges, loans or other extensions of  
10 credit, or investments is more than ~~[the lesser of]~~ one-half of one  
11 percent of an insurer's admitted assets ~~[or five percent of an~~  
12 ~~insurer's surplus,~~] as of December 31 of the year preceding the  
13 date of the transaction or transactions, the transaction or  
14 transactions, respectively, are considered to be material for  
15 purposes of this section.

16 SECTION 2. Section 823.0595, Insurance Code, is amended to  
17 read as follows:

18 Sec. 823.0595. ENTERPRISE RISK REPORT. (d) Except as  
19 provided by Subsection (e), the ultimate controlling person of a  
20 ~~[an]~~ domestic insurer authorized, admitted, or eligible to engage  
21 in the business of insurance in this state only with total direct  
22 or assumed annual premiums of less than \$300 million is not  
23 required to submit an enterprise risk report under Subsection (a)

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1 unless the ultimate controlling person also controls other insurers  
2 not meeting the requirements of this subsection. An insurer  
3 described in this subsection that directly or indirectly writes or  
4 assumes insurance in any manner in another state is not considered  
5 to be authorized, admitted, or eligible in this state only.

(f) An insurer described in Subsection (d) [~~or health~~  
7 ~~maintenance organization~~] that in the preceding calendar year had  
8 direct written and assumed premiums of more than \$300 million but  
9 less than \$500 million may request an exemption from the reporting  
10 requirements of Subsection (a) by filing with the commissioner a  
11 written statement describing the undue financial or organizational  
12 hardship the insurer [~~or health maintenance organization~~] would  
13 suffer as a result of complying with Subsection (a). The  
14 commissioner may grant the exemption if the commissioner finds that  
15 compliance with Subsection (a) would impose an undue financial or  
16 organizational hardship on the insurer [~~or health maintenance~~  
17 ~~organization~~].

SECTION 3. This Act takes effect immediately if it receives  
19 a vote of two-thirds of all the members elected to each house, as  
20 provided by Section 39, Article III, Texas Constitution. If this  
21 Act does not receive the vote necessary for immediate effect,  
22 this Act takes effect September 1, 2017.