

SUBJECT:	Establishing prohibitions on political shareholder proposals
COMMITTEE:	Insurance — favorable, without amendment
VOTE:	7 ayes — Oliverson, Cain, Cortez, Caroline Harris, Hull, Paul, Perez  0 nays  2 absent — A. Johnson, Julie Johnson
SENATE VOTE:	On final passage (April 18) — 19 - 12
WITNESSES:	For — Tom Glass, Texas Constitutional Enforcement ( <i>Registered, but did not testify</i> : Brent Bennett, Texas Public Policy Foundation)  Against — None
BACKGROUND:	Concerns have been raised that political shareholder proposals could require an insurer or holding company in Texas to take a political, environmental, or social action that was contrary to the will of the board.
DIGEST:	<p>SB 1060 would prohibit an insurer or insurer holding company organized under the laws of Texas from including a political shareholder proposal in a proxy statement or implementing a political shareholder proposal. A political shareholder proposal would mean a proposal that directly or indirectly:</p> <ul style="list-style-type: none"><li>• prohibited or limited an insurer’s ability to insure risks related to the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy solely because the risks would be related to fossil fuel-based energy;</li><li>• required or asked an insurer to reduce or track greenhouse gas emissions, including the greenhouse gas emissions of the insurer’s insureds or of the entities in which the insurer invested; or</li><li>• prohibited or limited an insurer’s ability to insure an entity involved in legal activity for the purpose of achieving</li></ul>

environmental, social, or political ends.

The bill would take effect September 1, 2023.