

BILL ANALYSIS

Senate Research Center

H.B. 2373
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Economic Development
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Engrossed

DIGEST

Currently, the Insurance Code authorizes insurers to increase or decrease their capital stock after notice has been published in a newspaper of general circulation for four consecutive weeks. This current practice is costly to the insurer. The Department of Insurance reviews changes in capital stock for the protection of consumers and policyholders. This bill provides for notice of an increase in capital stock for five consecutive days in a newspaper of general circulation.

PURPOSE

As proposed, H.B. 2373 provides for notice of an increase in an insurance company's capital stock for five consecutive days in a newspaper of general circulation.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Articles 8.13 and 8.23, Insurance Code, to provide for notice of an increase in capital stock of an insurance company for five consecutive days, rather than four weeks, in a newspaper of general circulation. Makes conforming changes.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.