

BILL ANALYSIS

Senate Research Center
85R5207 BEE-F

H.B. 1187
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Business & Commerce
5/10/2017
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that clarification is needed regarding a captive insurance company's authority to provide reinsurance. H.B. 1187 seeks to address this issue by including credit life insurance and credit disability insurance offered as a part of, or directly relating to, the operational risks of a captive insurance company's affiliate among the types of insurance for which a captive insurance company may provide reinsurance.

H.B. 1187 amends current law relating to the authority of a captive insurance company to provide reinsurance.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 964.052(a), Insurance Code, as follows:

(a) Authorizes a captive insurance company to provide reinsurance to an insurer covering the operational risks of the captive insurance company's affiliates, or risks of a controlled unaffiliated business, that the captive insurance company is authorized to insure directly under Section 964.051 (Authority to Write Direct Business) and:

- (1) makes no change to this subdivision;
- (2) makes a nonsubstantive change;
- (3) credit life insurance and credit disability insurance offered as a part of, or directly relating to, the operational risks of an affiliate; and
- (4) redesignates existing Subdivision (3) as Subdivision (4) and makes no further changes to this subdivision.

SECTION 2. Effective date: September 1, 2017.