

BILL ANALYSIS

Senate Research Center
88R20386 CJD-D

C.S.S.B. 1060
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State Affairs
4/4/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Insurers rely on actuarial assessments of risk in deciding whether to insure a person and how much that insurance should cost. Recently, activist shareholders have attempted to impose additional burdens on insurers, seeking to limit the provision or terms of insurance based on factors beyond risk and cost.

S.B. 1060 prohibits insurers from implementing shareholder proposals that prohibit or limit a company from providing insurance to specific business sectors or based on certain non-economic factors.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1060 amends current law relating to the adoption of political shareholder proposals by insurers and insurer holding companies.

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 Subtitle A, Title 6, Insurance Code, by adding Chapter 806, as follows:

CHAPTER 806. CONSIDERATION OF ENVIRONMENTAL, SOCIAL, OR POLITICAL FACTORS

Sec. 806.001. DEFINITIONS. Defines "holding company," "insurer," and "political shareholder proposal."

Sec. 806.002. POLITICAL SHAREHOLDER PROPOSALS PROHIBITED. Prohibits an insurer or holding company organized under the laws of this state from:

- (1) including a political shareholder proposal in a proxy statement; or
- (2) implementing a political shareholder proposal.

SECTION 2. Effective date: September 1, 2023.