

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB2234
Version:	PCS
Request Number:	6900
Author:	Mulready
Date:	2/27/2017
Impact:	Please see previous summary of this measure

Research Analysis

The Proposed Committee Substitute for HB 2234 requires any controlling person of a domestic insurer seeking to divest its controlling interest to file notice with the Insurance Commissioner at least 30 days prior to cessation of control. The measure also modifies the information to be included on the required statement sent to an insurer and its shareholders by a person seeking to merge with or acquire control of a domestic insurer. If the proposed acquisition of control requires the approval of more than one Commissioner, a public hearing may be held on a consolidated basis upon request of the person filing the required statement; however, a Commissioner may opt out within 10 days of receipt of the statement.

The bill requires an insurer to include on its registration statement a statement that the insurer's board of directors oversees corporate governance and internal controls, and at the request of the Insurance Commissioner, certain financial statements.

Finally, the PCS for HB 2234 authorizes the Commissioner to order any registered insurer to produce records, books or other information in the possession of the insurer in order to determine compliance. The Commissioner is also authorized to order production of certain information not in the possession of the insurer, if the insurer can obtain access to it. Should the insurer fail to comply with an order for information or records, the Commissioner is authorized to examine affiliates to obtain the information, to issue subpoenas, administer oaths and examine under oath any person in order to determine compliance.

Prepared By: Sean Webster

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

Other Considerations

None.