

## Chapter 252

H.B. No. 1187

1 AN ACT  
2 relating to the authority of a captive insurance company to provide  
3 reinsurance.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 964.052(a), Insurance Code, is amended  
6 to read as follows:

7 (a) A captive insurance company may provide reinsurance to  
8 an insurer covering the operational risks of the captive insurance  
9 company's affiliates, or risks of a controlled unaffiliated  
10 business, that the captive insurance company may insure directly  
11 under Section 964.051 and:

12 (1) employee benefit plans offered by affiliates;

13 (2) liability insurance an affiliate must maintain as  
14 a prerequisite for obtaining a license or permit if the law requires  
15 maintenance of the liability insurance; ~~and~~

16 (3) credit life insurance and credit disability  
17 insurance offered as a part of, or directly relating to, the  
18 operational risks of an affiliate; and

19 (4) workers' compensation insurance and employer  
20 liability policies issued to affiliates if the insurer that  
21 directly issues workers' compensation insurance and employer's  
22 liability policies or its licensed, if required by law,  
23 administrator or adjuster:

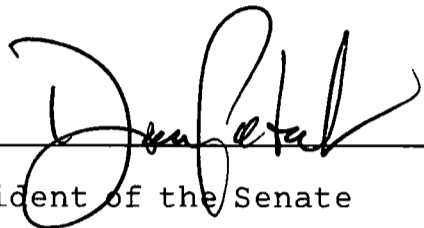
24 (A) services all claims incurred during the

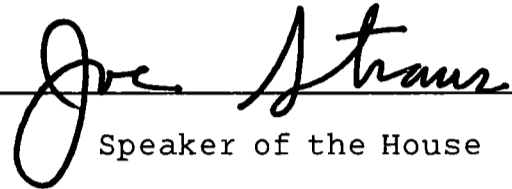
1 policy period; and

2 (B) complies with all requirements for an insurer  
3 under this code, including Chapter 462, and under Title 5, Labor  
4 Code.

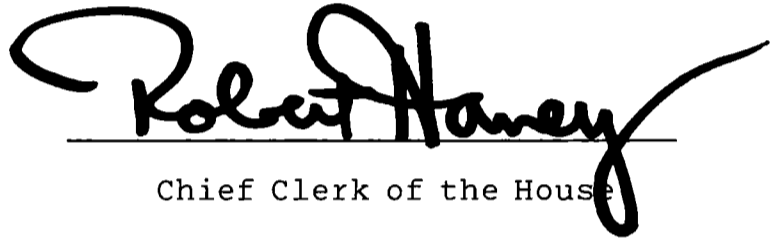
5 SECTION 2. This Act takes effect September 1, 2017.

H.B. No. 1187

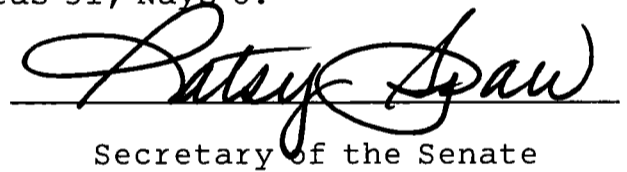
  
\_\_\_\_\_  
President of the Senate

  
\_\_\_\_\_  
Speaker of the House

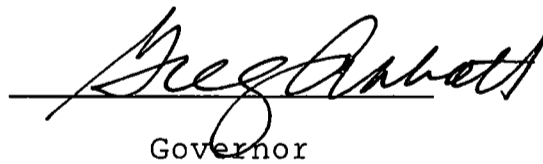
I certify that H.B. No. 1187 was passed by the House on April 26, 2017, by the following vote: Yeas 147, Nays 0, 1 present, not voting.

  
\_\_\_\_\_  
Chief Clerk of the House

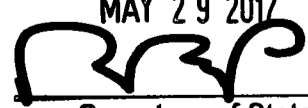
I certify that H.B. No. 1187 was passed by the Senate on May 19, 2017, by the following vote: Yeas 31, Nays 0.

  
\_\_\_\_\_  
Secretary of the Senate

APPROVED: 5-29-2017  
Date

  
\_\_\_\_\_  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
8:00 pm O'CLOCK

MAY 29 2017  
  
\_\_\_\_\_  
Secretary of State

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 5, 2017**

**TO:** Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB1187** by Capriglione (Relating to the authority of a captive insurance company to provide reinsurance.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, CL, CP, AG, EH

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 17, 2017**

**TO:** Honorable Larry Phillips, Chair, House Committee on Insurance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1187** by Capriglione (Relating to the authority of a captive insurance company to provide reinsurance.), **As Introduced**

**No fiscal implication to the State is anticipated.**

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, AG, EH, CP