relating to the regulation of certain surety companies.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 221.002(c), Insurance Code, is amended to read as follows:

(c) The following premium receipts are not included in determining an insurer's taxable premium receipts:

(1) premium receipts received from the business of title insurance;

(2) premium receipts received from the business of life insurance, personal accident insurance, life and accident insurance, or health and accident insurance for profit, written by a life insurance company, life and accident insurance company, health and accident insurance company, or for mutual benefit or protection in this state;

(3) premium receipts received from another authorized insurer for reinsurance;

(4) returned premiums and dividends paid to policyholders; and

(5) premiums excluded by another law of this state; and

(6) premiums or service fees retained by a bail bond surety licensed under Chapter 1704, Occupations Code, or by a property and casualty agent in connection with the execution or delivery of a bail bond as defined by Section 1704.001, Occupations Code.

SECTION 2. Subchapter E, Chapter 3503, Insurance Code, is amended by adding Sections 3503.202, 3503.203, and 3503.204 to read as follows:

Sec. 3503.202. UNEARNED PREMIUM RESERVE FOR BAIL BOND NOT REQUIRED. A surety company is not required to maintain an unearned premium reserve for a bail bond as defined by Section 1704.001, Occupations Code, executed or delivered by the company.

Sec. 3503.203. DIRECT WRITTEN PREMIUM CALCULATION. Direct written premium reported by a surety company in a financial statement filed with the department may be calculated excluding any premiums or service fees retained by a bail bond surety licensed under Chapter 1704, Occupations Code, or by a property and casualty agent in connection with the execution or delivery of a bail bond as defined by Section 1704.001, Occupations Code.

Sec. 3503.204. DISCLOSURE REQUIREMENTS. A surety company that executes or delivers in this state a bail bond as defined by Section 1704.001, Occupations Code, shall disclose in the company's financial statement filed with the department the aggregate amount of:

(1) gross premium for bail bond business reported in the company's surety line of business;

(2) premium or service fees retained by the bail bond surety or agent; and

(3) premium for bail bond business received by the company, net of amounts retained by the bail bond surety or agent.

SECTION 3. This Act takes effect September 1, 2013.

Passed by the House on May 2, 2013: Yeas 146, Nays 0, 4 present, not voting; passed by the Senate on May 20, 2013: Yeas 31, Nays 0.

Approved June 14, 2013.

Effective September 1, 2013.