

BILL ANALYSIS

Senate Research Center

S.B. 1598
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Business & Commerce
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DIGEST AND PURPOSE

Currently, a mutual life insurance company is authorized to convert to a stock company under the provisions of Article 11.01, Section 1(c), Texas Insurance Code. As proposed, S.B. 1598 adds additional language that allows a mutual life insurance company to reorganize through the use of a mutual holding company.

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 Article 11.01, Insurance Code, by adding Subsection (d), to authorize any mutual life insurance company organized or operating under the provisions of Chapter 11 of this code to reorganize by forming an insurance holding company based on a mutual plan and continuing the corporate existence of the reorganizing mutual life insurance company as a stock insurance company subject to certain conditions.

SECTION 2. Effective date: September 1, 2001.