

CHAPTER 9

S.B. No. 318

AN ACT

relating to the definition of net assets as it applies to certain insurers.

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

SECTION 1. Section 10, Article 3.01, Insurance Code, as amended, is amended to read as follows:

Sec. 10. By the term "net assets" is meant the funds of the company available for the payment of its obligations in this state, including but not limited to:

(a) Uncollected premiums not more than three (3) months past due and deferred premiums on policies actually in force, after deducting from such funds all unpaid losses and claims and claims for losses, and all other debts, exclusive of capital stock; and

(b) All electronic machines, constituting a data-processing system or systems, and all other office equipment, furniture, machines and labor-saving devices heretofore or hereafter purchased for and used in connection with the business of an insurance company to the extent that the total actual cash market value of all of such systems, equipment, furniture, machines and devices constitute *not more [less] than ten percent (10%) [five per cent (5%)]* of the otherwise admitted assets of such company; and provided further, that the total value of all such property of a company must exceed Two Thousand Dollars (\$2,000), to qualify hereunder.

(c) The Commissioner of Insurance may adopt regulations defining electronic machines and systems, office equipment, furniture, machines and labor-saving devices as used in subsection (b), and provide for the maximum period for which each such class of equipment may be amortized.

(d) Companies regulated by the provisions of Chapter 14 of this Insurance Code, same being local mutual aid associations, local mutual burial associations and state-wide mutual assessment corporations, and companies regulated by the provisions of Chapter 22 of this Insurance Code, same being stipulated premium companies, may include among their admitted assets any asset herein designated as "net assets" except that companies regulated by the provisions of Chapter 14 of this Code may only include the same within the assets of the expense fund of any such company.

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on February 18, 1987, by the following vote: Yeas 28, Nays 0.

Passed the House on March 12, 1987, by the following vote: Yeas 131, Nays 0, one present not voting.

Approved March 24, 1987.

Effective March 24, 1987.