

CHAPTER 164

S.B. No. 661

AN ACT

relating to self-insurance by certain banks.

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

SECTION 1. Section 2, Article 21.49-6, Insurance Code, is amended to read as follows:

Sec. 2. On approval of its plan of organization and operation as provided in Section 3 of this article, a group or association of banks or bankers, composed of any number of members, may create a trust to self-insure banks that are members of the group or association or any of whose officers are members of the group or association against losses resulting from (a) dishonest acts and criminal acts of employees or losses resulting from robbery or other acts commonly included within a bank's bond coverage, and (b) indemnification for wrongful acts committed by directors, officers, and employees of a member of the group or association subject to the limitations contained in Article 2.02-1, Texas Business Corporation Act [both].

SECTION 2. Section 6, Article 21.49-6, Insurance Code, is amended to read as follows:

Sec. 6. Any bank that is a member or any of whose officers are members of the group or association organizing the trust may participate in the self-insurance trust by entering into contract or agreement with the trustees for insurance under the trust against losses resulting from (a) dishonest acts or criminal acts of its employees or losses resulting from robbery or other acts commonly included within a bank's bond coverage, and (b) indemnification for wrongful acts committed by directors, officers, and employees of a member of the group or association subject to the limitations contained in Article 2.02-1, Texas Business Corporation Act. The bank or officers~~[- or both, and]~~ shall pay the required contribution to the trust fund.

SECTION 3. 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 April 15, 1987, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 12, 1987, by the following vote: Yeas 30, Nays 0. Passed the House, with amendment, on May 8, 1987, by the following vote: Yeas 131, Nays 0, one present not voting.

Approved May 25, 1987.

Effective May 25, 1987.