

1-1 By: Zaffirini S.B. No. 2077
1-2 (In the Senate - Filed March 7, 2025; March 24, 2025, read
1-3 first time and referred to Committee on Business & Commerce;
1-4 April 7, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 11, Nays 0; April 7, 2025,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

1-8		Yea	Nay	Absent	PNV
1-9	Schwertner	X			
1-10	King	X			
1-11	Blanco	X			
1-12	Campbell	X			
1-13	Creighton	X			
1-14	Johnson	X			
1-15	Kolkhorst	X			
1-16	Menéndez	X			
1-17	Middleton	X			
1-18	Nichols	X			
1-19	Zaffirini	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 2077 By: King

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to the qualifications of members of the board of directors
1-24 of the Texas Mutual Insurance Company.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 2054.052(b), Insurance Code, is amended
1-27 to read as follows:

1-28 (b) An individual may not serve as a board member if the
1-29 individual or~~[,]~~ another individual related to the individual
1-30 within the first ~~[second]~~ degree by consanguinity or affinity~~[, or~~
1-31 ~~another individual residing in the same household with the~~
1-32 ~~individual]~~:

1-33 (1) is a ~~[registered or]~~ licensed insurance agent
1-34 ~~[under this code or is required to be registered or licensed under~~
1-35 ~~this code]~~;

1-36 (2) serves as an employee, officer, director, or ~~[is~~
1-37 ~~employed by or acts as a]~~ consultant or in any other capacity for an
1-38 insurer writing workers' compensation insurance in this state or an
1-39 affiliate of an insurer writing workers' compensation insurance in
1-40 this state ~~[to a person registered or licensed under this code or~~
1-41 ~~required to be registered or licensed under this code]~~;

1-42 (3) owns, controls, has a financial interest in, or
1-43 participates in the management of an insurer writing workers'
1-44 compensation insurance in this state or an affiliate of an insurer
1-45 writing workers' compensation insurance in this state
1-46 ~~[organization registered or licensed under this code or required to~~
1-47 ~~be registered or licensed under this code]~~;

1-48 (4) receives a substantial tangible benefit from the
1-49 company or the department; or

1-50 (5) is an officer, employee, or consultant of an
1-51 association in the field of insurance.

1-52 SECTION 2. Section 2054.052(b), Insurance Code, as amended
1-53 by this Act, does not affect the entitlement of a member serving on
1-54 the board of directors of the Texas Mutual Insurance Company
1-55 immediately before the effective date of this Act to continue to
1-56 serve for the remainder of the member's term.

1-57 SECTION 3. This Act takes effect immediately if it receives
1-58 a vote of two-thirds of all the members elected to each house, as
1-59 provided by Section 39, Article III, Texas Constitution. If this
1-60 Act does not receive the vote necessary for immediate effect, this

2-1 Act takes effect September 1, 2025.

2-2 * * * * *