

BILL ANALYSIS

S.B. 637
By: Nelson
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Insurance companies operating in Texas are required to file financial statements with the National Association of Insurance Commissioners (NAIC). NAIC charges a filing fee to cover the cost of maintaining the information in a database. Current law requires the Texas Department of Insurance (TDI) to collect the fee from insurance companies for remittal to NAIC. TDI is required to pay the difference between the amount appropriated for this purpose and the actual cost of the database. S.B. 637 requires insurance companies to pay the database fee directly to NAIC.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 802.055, Insurance Code, as effective June 1, 2003, as follows:

Sec. 802.055. New Heading: COSTS PAID BY INSURANCE COMPANY. Requires an insurance company to pay all costs of preparing and furnishing to the National Association of Insurance Commissioners the information required under Section 802.052, including any related filing fees. Deletes Subsection (b), which prohibited costs relating to providing the information from being assessed against an insurance company.

SECTION 2. Effective date: June 1, 2003, or September 1, 2003.

EFFECTIVE DATE

June 1, 2003 or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.