

BILL ANALYSIS

C.S.H.B. 3299
By: Seaman
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Section 202.052 of the Texas Insurance Code currently requires the Insurance Department to impose and the Comptroller to collect a fee on all domestic life insurance companies for valuing life insurance policies by the department, which may not exceed \$10 for each \$1 million of insurance in force. This fee is charged regardless of the nature or type of life insurance; whole life, term life, group life, etc.

C.S.H.B. 3299 will grant rulemaking authority to the Commissioner of Insurance to adopt the amount of fees not to exceed \$10 for each \$1 million of insurance or fraction thereof and will allow the Commissioner of Insurance to adopt different valuation fees for valuation of life and group life policies.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of the Texas Department of Insurance in SECTION 1 (Section 202.052 (a) of the Insurance Code) of this bill.

ANALYSIS

SECTION 1: C.S.H.B. 3299 allows the establishment of different valuation fees assessed to domestic life insurers at the discretion of the Commissioner. The Commissioner may establish valuation fees at different levels dependent on a number of factors, including but not limited to, the valuation fee relative to premiums for various life and group policies, amount of insurance in force and benefits under various policy types.

SECTION 2: Prospective application of January 1, 2006.

SECTION 3: Effective date

EFFECTIVE DATE

September 1, 2005. The Act applies beginning with January 1, 2006.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 3299 modifies the original bill by changing the application date from January 1, 2005 to January 1, 2006.