

BILL ANALYSIS

Senate Research Center
78R5732 PB-D

S.B. 637
By: Nelson
State Affairs
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As Filed

DIGEST 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. As proposed, S.B. 637 requires insurance companies to pay the database fee directly to NAIC.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION 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. 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.