

## **BILL ANALYSIS**

Senate Research Center  
76R7107 DB-F

H.B. 2559  
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Economic Development  
5/9/1999  
Engrossed

### **DIGEST**

Currently, the Insurance Code authorizes stipulated premium companies to assume liability on a life insurance risk on any one life under certain conditions. Group II life insurance agents, who are not required to take an examination or meet continuing education requirements, may be licensed to sell life insurance policies with a value of \$10,000 or less. In general, these types of policies are not heavily marketed because they are usually only used to pay for funeral expenses and outstanding bills. H.B. 2559 would establish conditions regarding increasing the policy limit on stipulated insurance company policies.

### **PURPOSE**

As proposed, H.B. 2559 establishes conditions regarding increasing the policy limit on stipulated insurance company policies.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 3, Article 21.07, Insurance Code, to require the commissioner of insurance, rather than the Texas Department of Insurance (department), to issue a license to a person, corporation, or bank in such form as the department may prepare authorizing such applicant to write the types of insurance authorized by law to be issued by applicant's appointing insurance carrier, except that the applicant shall not be authorized to write health and accident insurance unless the applicant fulfills certain conditions and the applicant, if not a partnership, corporation, or bank shall not be authorized to write life insurance in excess of \$15,000, rather than \$10,000 upon any one life under certain conditions. Makes conforming changes.

SECTION 2. Amends the heading to Section 4A, Article 21.07, Insurance Code, as follows:

Sec. 4A. New heading: EXAMINATION OF APPLICANT FOR LICENSE TO WRITE LIFE INSURANCE UPON ANY ONE LIFE IN EXCESS OF \$15,000.

SECTION 3. Amends Sections 4A(a), (c), and (e), Article 21.07, Insurance Code, to make conforming changes.

SECTION 4. Amends Section 3, Article 22.07, Insurance Code, to make conforming changes.

SECTION 5. Amends Section 1(b), Article 22.13, Insurance Code, to make conforming changes.

SECTION 6. Amends Article 22.23(a), Insurance Code, to make a conforming change.

SECTION 7. Effective date: September 1, 1999.  
Makes application of this Act prospective.

SECTION 8. Emergency clause.