

BILL ANALYSIS

Senate Research Center

S.B. 1076
By: Lucio
Economic Development
3-18-97
As Filed

DIGEST

Currently, the Texas Department of Insurance promulgates rules which enable the commissioner of insurance to enforce requirements of the Holding Company Act (Act) upon exempted companies. These requirements are burdensome and expensive for small companies. This bill reinforces the intent of the existing statute by specifically stating that in the event of a conflict between Article 1.29, Insurance Code and Article 21.49-1, Insurance Code, the latter prevails and exempts certain companies from the provisions of the Act.

PURPOSE

As proposed, S.B. 1076 reinforces the intent of the existing statute by specifically stating that in the event of a conflict between Article 1.29, Insurance Code and Article 21.49-1, Insurance Code, the latter prevails and exempts certain companies from the provisions of the Holding Company Act.

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 Article 1.29(2), Insurance Code, to provide that the provisions of this article are applicable to all insurance companies subject to regulation by the Insurance Code, and any provision of exemption or applicability are not in limitation, and, except as provided by subsection (b), this article shall govern in the event of conflict. Provides that Article 21.49-1 controls to the extent any conflict between this article and Article 21.49-1.

SECTION 2. Severability clause.

SECTION 3. Provides that any rule adopted by the commissioner of insurance which is not in conformity with Section 1 of this Act shall be null and void.

SECTION 4. Provides that this Act control when in conflict with other laws.

SECTION 5. Emergency clause.
Effective date: upon passage.