

BILL ANALYSIS

Senate Research Center

S.B. 1293
By: Cain
Education
4-14-97
As Filed

DIGEST

Currently, policy forms for life, health, accident, and hospitalization insurance may be filed and used unless disapproved by the Department of Insurance (department) after 60 days from the department's receipt of the form. The approval of these forms has caused a backlog at the department resulting in the possible delay of approvals up to two years. This bill would remove policy forms for life, endowment, and annuity insurance filed with the department from the approval process.

PURPOSE

As proposed, S.B. 1293 provides that at the expiration of 60 days after receipt of a filed form, contract or policy by the Department of Insurance, a form, contract, or policy shall, other than a policy, contract or certificate of life, term or endowment insurance, group life or term insurance, industrial life insurance, annuity or pure endowment contract or group annuity contract, be deemed approved by the department except under certain conditions.

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 3.42, Insurance Code, as follows:

(a)-(b) Requires no policy, certain contracts, certain insurance, or certain annuities to be delivered, issued or used in this state by a life, accident, health or casualty insurance company, a mutual life insurance company, mutual insurance company other than life, mutual or natural premium life insurance company, general casualty company, Lloyds, reciprocal, or interinsurance exchange, fraternal benefit society, group hospitalization service or any other insurer, unless the form of said policy, contract or certificate has been filed with the Department of Insurance (department) as provided by Subsections (c) and (e), rather than Subsection (d), of this article. Makes conforming changes.

(d) Requires a form, contract or policy, at the expiration of 60 days after receipt of a filed form, contract or policy by the department, other than a policy, contract or certificate of life, term or endowment insurance, group life or term insurance, industrial life insurance, annuity or pure endowment contract or group annuity contract, to be deemed approved by the department unless prior thereto it has been affirmatively either approved or disapproved by the written order of the commissioner of insurance (commissioner), or the insurer has requested in writing that the approval period be extended for an additional period not to exceed 45 days. Makes conforming changes.

(e)-(q) Redesignates existing Subsections (d)-(m) as (e)-(q). Makes conforming changes.

SECTION 2. Severability clause.

SECTION 3. Requires any rule adopted by the commissioner which is not in conformity to the standards set forth in SECTION 1 of this Act to be null and void and of no force or effect.

SECTION 4. Provides that if a provision of this Act is in conflict with any other law, rule, regulation, or provision of the Insurance Code, this Act shall control.

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