

BILL ANALYSIS

Senate Research Center

S.B. 1446
By: Harris
Economic Development
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As Filed

DIGEST

Currently, insurance companies which enter into reinsurance agreements are required to submit agreements with the commissioner of insurance. Reinsurance agreements are reported on the insurer's financial statements. The additional notification of such agreements is duplicative and unnecessarily burdensome to insurers. This bill authorizes insurers to reinsure without prior approval of the commissioner and requires insurers to account for reinsurance agreements in their quarterly and annual reports; and removes the commissioner's authority to adopt rules on minimum risk transfer standards.

PURPOSE

As proposed, S.B. 1446 authorizes insurers to reinsure without prior approval of the commissioner and requires insurers to account for reinsurance agreements in their quarterly and annual reports.

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 3.10, Insurance Code, by amending Subsections (a) and (l), to authorize an insurer to reinsure in any solvent assuming insurer any risk or part of a risk which both are authorized to assume without prior approval of the commissioner of insurance. Requires an insurer, in its quarterly and annual reports to provide certain information. Deletes certain provisions relating to minimum risk transfer standards and risks with regards to insurance agreements.

SECTION 2. Severability clause.

SECTION 3. Provides that rules adopted by the commissioner of insurance not in conformity with SECTION 1 of this Act are void and of no force or effect.

SECTION 4. Provides that this Act controls if this Act is in conflict with other laws.

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