

BILL ANALYSIS

Senate Research Center
77R12041 AJA-D

H.B. 2415
By: Giddings (Ellis, Rodney)
Business & Commerce
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Engrossed

DIGEST AND PURPOSE

Currently, many observers believe that the premiums charged by life insurance companies in connection with small face amount policies are unreasonable in relation to the benefits received. In some cases the insurance companies do not disclose to consumers the relationship between the pricing of life insurance policies with a small face amount and the benefits received under that policy. H.B. 2415 requires the commissioner of insurance to conduct a marketplace study in the state for life insurance policies issued with a small face amount, evaluate whether the actuarial and expense experience supports the pricing of the small face value life insurance policies, and evaluate whether statutory changes are needed.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

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SECTION 1. Requires the commissioner of insurance (commissioner) to conduct a study of the marketplace in the state for life insurance issued with a small face amount and report the commissioner's findings to the legislature on or before January 1, 2003.

(b) Requires the commissioner, in conducting the study, to evaluate and consider certain information.

(c) Requires the commissioner to appoint an advisory committee to assist in conducting the study required by this section and to obtain comments from interested parties. Requires the committee to include members who represent certain entities.

(d) Provides that the advisory committee appointed under Subsection (c) of this section is abolished and this section expires September 1, 2001.

SECTION 2. Effective date: September 1, 2001.