

BILL ANALYSIS

Senate Research Center

H.B. 2163
By: Eiland (Van de Putte)
Business & Commerce
5/14/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties report that Texas consumers and businesses paid more than \$100 billion in insurance premiums last year, making Texas one of the largest insurance markets in the world. However, in relation to the size of the state's insurance market, Texas is home to only an average number of insurance companies. Such parties note that, by comparison, other states retain a greater number of domestic insurers. H.B. 2163 seeks to level the playing field with other states through reducing costs borne by Texas domestic insurers by spreading the cost of examination overhead assessments imposed by the Texas Department of Insurance (TDI) to all insurers licensed in Texas.

The bill also clarifies that TDI is allowed to use its self-directed budget to fund the reimbursement of premium tax credits for examination costs and examination overhead assessments. The bill seeks to clarify the cost treatment of such transactions for the comptroller by explicitly authorizing TDI to transfer certain funds from its self-directed budget to TDI's operating account fund.

H.B. 2163 amends current law relating to an annual assessment on insurers for the examination of insurers and imposes an assessment.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 401.152, Insurance Code, by adding Subsection (a-1), as follows:

(a-1) Requires the Texas Department of Insurance (TDI) to also impose an annual assessment on insurers not organized under the laws of this state subject to examination as described by this section in an amount sufficient to meet all other expenses and disbursements necessary to comply with the laws of this state relating to the examination of insurers. Requires that the amount imposed under this subsection be computed in the same manner as the amount imposed under Section 401.151(c) (relating to requiring TDI to impose a certain annual assessment on insurers) for domestic insurers.

SECTION 2. Amends Section 401.156, Insurance Code, by amending Subsections (a) and (d) and adding Subsections (a-1), as follows:

(a) Requires TDI to deposit any assessments or fees collected under this subchapter relating to the examination of insurers and other regulated entities by the financial examinations division or actuarial division, as those terms are defined by Section 401.251 (Definitions), to the credit of an account with the Texas Treasury Safekeeping Trust Company to be used exclusively to pay examination costs, as defined by Section 401.251, to reimburse administrative support costs for the TDI operating account, and to reimburse premium tax credits for examination costs and examination overhead assessments.

(a-1) Creates this subsection from existing text. Provides that money deposited under Subsection (a), rather than this subsection, accumulates and is authorized to be disbursed to TDI in a manner consistent with Subchapter F (Self-Directed Budget for Certain Divisions).

(d) Authorizes TDI to transfer funds between the account described by Subsection (a) and the TDI operating account as necessary to ensure that funds are deposited to the correct account and used for the correct purposes. Provides that this subsection does not authorize a disbursement or transfer of funds in a manner that is inconsistent with the purposes of Subchapter F and this section. Makes a nonsubstantive change.

SECTION 3. Effective date: September 1, 2013.