

## **BILL ANALYSIS**

H.B. 3202  
By: Smithee  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties contend that the exemption of certain insurers from filing enterprise risk reports places an unnecessary regulatory burden on Texas-based insurers due to differences between laws across Texas and other states. H.B. 3202 seeks to eliminate this burden by aligning state standards regarding enterprise risk reports with nationally recognized standards for such reports.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 3202 amends the Insurance Code to change the threshold amount of a single transaction or total amount of all transactions involving sales, purchases, exchanges, loans or other extensions of credit, or investments above which the transaction or transactions, respectively, are considered to be material for purposes of disclosure on a registration statement filed with the Texas Department of Insurance by an insurer that is a member of an insurance holding company system or on a registered insurer's report regarding material changes from the lesser of one-half of one percent of the insurer's admitted assets or five percent of the insurer's surplus as of a certain date to one-half of one percent of the insurer's admitted assets as of that date. The bill repeals statutory provisions exempting the ultimate controlling person of an insurer with total direct or assumed annual premiums of less than \$300 million from required submission of an annual enterprise risk report with certain exceptions and authorizing an insurer or health maintenance organization that in the preceding calendar year had direct written and assumed premiums of more than \$300 million but less than \$500 million to request an exemption from enterprise risk reporting requirements.

H.B. 3202 repeals Sections 823.0595(d), (e), and (f), Insurance Code.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.