

## BILL SUMMARY

2nd Session of the 53rd Legislature

<b>Bill No.:</b>	<b>HB 2981</b>
<b>Version:</b>	<b>SUBREC</b>
<b>Request Number:</b>	<b>9402</b>
<b>Author:</b>	<b>Ortega</b>
<b>Date:</b>	<b>2/22/2012</b>
<b>Impact:</b>	<b>Estimated \$16,925 increase in revenue in the first year, \$11,425 in additional years, split between General Revenue and the Department</b>

### Research Analysis

The subcommittee recommendation to HB 2981 authorizes the Insurance Commissioner to collect duplicate or replacement Certificate of Authority fees of \$25.

The measure requires all insurers with the surety including bail line of authority to provide a minimum \$300 deposit.

The measure modifies the following fees:

- Administrator license application fee is increased from \$100 to \$200 and the license will continue in force for two, instead of one, years;
- New application fees are created for a limited lines license to sell or offer coverage under a policy of portable electronic insurance;
- A Federal Registry fee for Real Estate Appraisers is modified to equal an 'amount as may be assessed from time to time by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.' The current fee is set at \$25;
- Bail bondsman license application fees are increased from \$250 to \$350;
- A late fee of \$50 is created for a bondsman who submits an untimely monthly report. The measure also authorizes the Commissioner to deny, censure, suspend, revoke, or refuse to renew a bail bondsman license for three untimely reports in a 12 month period; and
- A late fee of \$25 is created if certain license holders regulated by the Insurance Department fail to notify the Department of a change in legal name, address, or e-mail within five business days.
- A bail bond license will consist of four lines of authority (cash, professional, property bail, and surety bail) and a \$10 fee to add or remove a line of authority is created.

The measure adds instances where the Insurance Commissioner may deny, censure, suspend, revoke, or refuse to renew certain licenses to include failing to notify the Commissioner of a change in legal name or e-mail address.

Prepared By: Andrea Merten

### Fiscal Analysis

HB 2981, as introduced, provides for additional fees to be collected by the Insurance Department, including fees for duplicate or replacement Certificates of Authority; appointments

of the Commissioner as agent for service of process or filing documents of an entity applying for a limited-lines license; license fee for bail bondsmen; an administrative fee for late filings of change of address, name, or email address; and a late fee for bondsmen who file certain untimely reports.

According to officials at the Insurance Department, the average total amount of revenue for these fee changes is \$16,925 in the first year, and \$11,425 annually in the following years. The revenue increases would be subject to the split between General Revenue (76.5%) and the Insurance Revolving Fund (23.5%).

The fee changes relating to the Commissioner for service of process and limited-license filing are for vendors covering portable electronic devices. The Department states that this will also be an increase in revenue, but at this point it is not possible to determine how many vendors of this kind of insurance there will be or which of them would offer the coverage and so no accurate estimate of the revenue is available at this time. Other changes in the measure would be revenue neutral.

Prepared By: Mark Nichols

**Other Considerations**

None