

BILL ANALYSIS

H.B. 2922
By: Marchant
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas Legislative Council is required by law (Section 323.007, Government Code) to carry out a complete nonsubstantive revision of the Texas statutes. The process involves reclassifying and rearranging the statutes in a more logical order, employing a numbering system and format that will accommodate future expansion of the law, eliminating repealed, invalid, duplicative, and other ineffective provisions, and improving the draftsmanship of the law, if practicable--all toward promoting the stated purpose of making the statutes "more accessible, understandable, and usable" without altering the sense, meaning, or effect of the law. In 1965 the council adopted a long-range plan of compiling the law into 26 codes arranged by general topics.

Proposed Titles 3, 5, 9, 11, and 13, and Subtitles A through G and I, Title 8, Insurance Code, are a nonsubstantive revision of certain provisions of the existing Insurance Code applicable to insurers and related entities, including provisions relating to insurance taxes and fees, consumer interests, title insurance, insurance agents and other insurance professionals, and health insurance. The included provisions of the Insurance Code are divided into six titles. In the case of Title 8, only Subtitles A through G and I are included; Subtitle H, Title 8, was enacted during the 77th legislative session. Specifically, the provisions of the Insurance Code are:

- Title 3, Department Funds, Fees, and Taxes;
- Title 5, Protection of Consumer Interests;
- Subtitle A, Title 8, Health Coverage in General;
- Subtitle B, Title 8, Group Health Coverage;
- Subtitle C, Title 8, Managed Care;
- Subtitle D, Title 8, Preferred Provider Benefit Plans;
- Subtitle E, Title 8, Benefits Payable Under Health Coverages;
- Subtitle F, Title 8, Physicians and Health Care Providers;
- Subtitle G, Title 8, Health Coverage Availability;
- Subtitle I, Title 8, Specialized Coverages;
- Title 9, Provisions Applicable to Life and Health Coverages;
- Title 11, Title Insurance; and
- Title 13, Regulation of Professionals.

Each of the titles is divided into subtitles, and the subtitles are divided into chapters, subchapters, and sections. Sections are numbered decimally, and the number to the left of the decimal point is the same as the chapter number. Gaps in chapter and section numbering are for future expansion.

The council legal staff has taken meticulous care to ensure that no substantive change has been made in the law and to preserve any ambiguity or interpretation that may exist in current law.

The staff has developed an extensive mailing list, and drafts of the proposed titles and subtitles have been widely distributed for review and comment to interested individuals, organizations, businesses, industry representatives, and governmental agencies. The text of the proposed titles and subtitles has been made available on the Texas Legislative Council Internet site. The staff has studied the comments and suggestions of persons reviewing the proposed titles and subtitles and has taken action to satisfy the concerns

expressed.

Proposed Titles 3, 5, 9, 11, and 13, and Subtitles A through G and I, Title 8, Insurance Code, are a nonsubstantive revision of Texas law, meaning the substance of the law has not been altered. The sole purpose of these provisions is to compile the relevant law, arrange it in a logical fashion, and rewrite it without altering its meaning or legal effect. If a particular source statute is ambiguous and the ambiguity cannot be resolved without a potential substantive effect, the ambiguity is preserved.

RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not expressly delegate rulemaking authority to any state officer, department, agency, or institution but does recodify that authority already delegated by previous law.

ANALYSIS

House Bill 2922 proposes Titles 3, 5, 9, 11, and 13, and Subtitles A through G and I, Title 8, Insurance Code, a nonsubstantive revision of certain provisions of the existing Insurance Code applicable to insurers and related entities, including provisions relating to insurance taxes and fees, consumer interests, title insurance, insurance agents and other insurance professionals, and health insurance. The bill also includes conforming amendments to Titles 1, 2, and 6 of the Insurance Code and to provisions in other codes necessary to continue without substantive change provisions of law not codified as part of Titles 3, 5, 9, 11, and 13, and Subtitles A through G and I, Title 8, Insurance Code, and to ensure that other substantive changes are not made. In addition, the bill repeals the laws that are revised in the bill as well as laws that have expired or that have been impliedly repealed. Finally, the bill includes a statement of the legislative intent to recodify only.

EFFECTIVE DATE

The Act is effective April 1, 2005, in order to provide all affected parties a legislative cycle to review more closely what the legislature has enacted.