

BILL ANALYSIS

Senate Research Center

S.B. 1606
By: Ellis, Rodney
Business & Commerce
4/12/2003
As Filed

DIGEST AND PURPOSE

Currently, the establishment of a FAIR (Fair Access to Insurance Requirements) Plan, a residual market mechanism for residential property insurance, by the commissioner of insurance (commissioner) is conditioned on the experience of the residential Market Assistance Program (MAP). As proposed, S.B. 1606 removes the requirement that before establishing a FAIR Plan, at least 50 percent of the applicants to the MAP who are qualified for that program have not been placed with an insurer for the previous 12-month period, after the commissioner has made insurer participation mandatory.

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 1, Article 21.49A, Chapter 21, Insurance Code, as follows:

Sec. 1. AUTHORITY; PURPOSE. Deletes text referring to 50 percent of the applicants to the residential property market assistance program who are qualified under the plan that have not been placed with an insurer in the previous 12 months as a prerequisite for establishment of a FAIR (Fair Access to Insurance Requirements) Plan.

SECTION 2. Amends Section 6, Article 21.49A, Chapter 21, Insurance Code, to include a reference to a licensed general lines property and casualty agent, in place of a licensed local recording agent.

SECTION 3. Amends Section 8, Article 21.49A, Chapter 21, Insurance Code, to replace a reference to Article 1.04 with a reference to Sections 36.201-36.205 of this code.

SECTION 4. Amends Section 12, Article 21.49A, Chapter 21, Insurance Code, to replace a reference to Article 1.10 (Certain Duties of the Department) with a reference to Sections 82.001-82.003, to replace a reference to Article 1.10E with a reference to Sections 84.001-84.003 and 84.021-84.022, and to replace a reference to Article 1.10A with a reference to Sections 83.001-83.004 and 83.051-83.055.

SECTION 4. Effective date: upon passage or September 1, 2003.