

BILL ANALYSIS

H.B. 2017
By: Swinford
State Affairs
Committee Report (Amended)

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logical order, employing a numbering system and format that will accommodate future expansion of the law, eliminating repealed, invalid, duplicative, and other ineffective provisions, and improving the draftsmanship of the law, if practicable--all toward promoting the stated purpose of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; the council now has a plan to compile the law into 27 codes.

Proposed Titles 4, 10, 12, and 14, Insurance Code, and additional related proposed chapters represent a nonsubstantive revision of certain provisions of the existing Insurance Code applicable to insurers and related entities, including provisions relating to solvency of insurers, property and casualty insurance, including policy forms and ratemaking, other types of insurance coverage, and utilization review and independent review. The included provisions of the Insurance Code are revised in four new titles and other existing titles in the Insurance Code as well as in the Labor Code. The four new titles of the Insurance Code are:

Title 4, Regulation of Solvency;
Title 10, Property and Casualty Insurance;
Title 12, Other Coverage; and
Title 14, Utilization Review and Independent Review.

Titles 4 and 10 are divided into subtitles. Titles 12 and 14 and each of the subtitles in Titles 4 and 10 are divided into chapters. Each proposed chapter is divided into subchapters, if appropriate, and is further divided into 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 chapters have been widely distributed for review and comment to interested individuals, organizations, businesses, industry representatives, and government agencies. The text of the proposed chapters has been made available on the Texas Legislative Council Internet site. The staff has studied the comments and suggestions of persons reviewing the proposed chapters and has taken action to satisfy the concerns expressed.

Proposed Titles 4, 10, 12, and 14, Insurance Code, and the additional related proposed chapters 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 committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

The bill proposes Titles 4, 10, 12, and 14, Insurance Code, and additional related chapters, which represent a nonsubstantive revision of certain provisions of the existing Insurance Code applicable to insurers and related entities, including provisions relating to solvency of insurers, property and casualty insurance, including policy forms and ratemaking, other types of insurance coverage, and utilization review and independent review. The bill also includes conforming amendments to existing titles of the Insurance Code necessary to continue without substantive change provisions of law not codified as part of the proposed titles of the Insurance Code or other related proposed chapters and to ensure that other substantive changes are not made. In addition, the bill repeals the laws that are revised in the bill, except where retaining those laws is necessary to properly construe other laws. The bill also expressly repeals laws that have no continuing effect, including those that have been impliedly repealed. Finally, the bill includes a statement of the legislative intent to recodify only.

EFFECTIVE DATE

April 1, 2007

EXPLANATION OF AMENDMENTS

Committee Amendment No. 1 changes provisions of the bill relating to the Texas Property and Casualty Insurance Guaranty Association, the Texas Mutual Insurance Company, the Medical Liability Insurance Joint Underwriting Association, and prohibited practices with respect to and policy forms for certain kinds of insurance. The amendment incorporates nonsubstantive comments and suggestions received after the bill was introduced.