

BILL ANALYSIS

S.B. 611
By: Lucio
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, Section 2251.008, Insurance Code, requires the commissioner of insurance to issue quarterly reports regarding residential property insurance and personal automobile insurance to the governor, lieutenant governor, and the speaker of the house of representatives, but there is no requirement that the reports contain the most recent information regarding the insurance market and be provided to the legislature. Furthermore, there are currently no state laws indicating what type of material the Texas Department of Insurance (TDI) is required to include on its website.

S.B. 611 provides consumers increased access to information regarding residential property insurance and personal automobile insurance in one centralized location on the Internet. This bill also provides the legislature with the latest information available from TDI so that policymakers have a complete and accurate picture of the insurance market.

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

SECTION 1. Amends Chapter 32, Insurance Code, by adding Subchapter D, as follows:

SUBCHAPTER D. INTERNET ACCESS TO CERTAIN INFORMATION

Sec. 32.101. **APPLICABILITY OF SUBCHAPTER.** Sets forth the insurers to whom this subchapter applies.

Sec. 32.102. **INTERNET WEBSITE.** (a) Requires the Texas Department of Insurance (TDI), in conjunction with the Office of Public Insurance Counsel (OPIC), to establish and maintain a single website that provides certain information regarding residential property insurance and personal automobile insurance to enable consumers to make informed decisions relating to the purchase of such insurance.

(b) Authorizes the Internet website required by this section to link to and be linked from the TDI and OPIC main websites, but requires the Internet addresses to be distinct.

(c) Authorizes TDI and OPIC to include on the website or by link to another site any other information TDI and OPIC determine is helpful to consumers of residential property insurance or personal automobile insurance or that TDI or OPIC is authorized or required to publish under this code that relates to such insurance.

Sec. 32.103. **PUBLIC INFORMATION CONCERNING INTERNET WEBSITE.** Requires TDI to publicize the existence of the website required by this subchapter.

Sec. 32.104. **DUTIES OF INSURER.** (a) Requires an insurer, on the request of TDI, to provide to TDI any information TDI and OPIC determine is reasonable or necessary to fulfill TDI and OPIC's duties under this subchapter.

(b) Requires an insurer to provide a notice of the website required by this subchapter in a conspicuous manner with each residential property insurance or

personal automobile insurance policy issued in this state. Requires the commissioner of insurance (commissioner) to determine the form and content of the notice.

SECTION 2. Amends Section 2251.008, Insurance Code, as follows:

Sec. 2251.008. QUARTERLY REPORT OF INSURER; LEGISLATIVE REPORT. (a) Authorizes the commissioner to require an insurer subject to the subchapter to report to the commissioner, in the form and in the time required by the commissioner, any other information the commissioner determines is necessary to comply with this section.

(b) Includes the legislature and the public as persons to whom the commissioner is required to report certain information. Includes rates related to market conduct as information that the commissioner is required to report to certain persons.

(c) Requires the report required by this section to cover a calendar quarter and state certain information for each insurer that writes a line of insurance subject to this subchapter. Requires the report required by this section to indicate, for each rate filing submitted under Subdivision (1)(D), any significant impact on policyholders, the overall rate change from the rate previously used by the insurer stated as a percentage, and any rate change for the previous 12, 24, and 36 months.

(d) Requires the report required by this section, except as provided by Subsection (e), to be made available to certain persons not later than the 60th day after the last day of the calendar quarter covered by the report.

(e) Requires TDI to make the quarterly report, as applicable to lines of residential property insurance and personal automobile insurance, available within the period specified by Subsection (d) and authorizes TDI to delay publication of the quarterly report as it relates to other lines of insurance subject to this subchapter until a date specified by the commissioner if the commissioner determines that it is not feasible to provide the report required by this section within the period specified by Subsection (d) for all lines of insurance subject to this subchapter.

SECTION 3. (a) Requires TDI, in conjunction with OPIC, to establish the website required by Subchapter D, Chapter 32, Insurance Code, as added by this Act, not later than January 1, 2008. Authorizes TDI and OPIC, in establishing the website, to use materials developed or published by TDI or OPIC before the effective date of this Act.

(b) Makes application of Section 32.104, Insurance Code, as added by this Act, prospective to January 1, 2008.

SECTION 4. Effective date: upon passage or September 1, 2007.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.