

BILL ANALYSIS

Senate Research Center

S.B. 849
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Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, farm mutual insurance companies are required to prepare written reports annually. The annual reports must include the total amount of premiums paid during the year for the policyholder's insurance, the company's operating expenses and the name of each claimant, and the amount paid for each loss suffered. This information is made available to each policyholder and to the Texas Department of Insurance. Due to the increase in fraud and identity theft, disclosing the personal financial information and identities of policyholders is problematic.

S.B. 849 protects the personal financial information and identities of policyholders by removing from the current statute the requirement that the rates of the premiums and names of claimants be reported along with the total amount paid for each claim.

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 911.304(b), Insurance Code, to modify the content requirements of an annual report by farm mutual insurance companies under this section (Annual Reports Required). Requires the report to include the total amount of premiums paid during the year for the policyholder's insurance, the company's operating expenses, and the total amount of claims paid for each covered peril. Deletes an exception provided by Subsection (c) and existing text requiring the inclusion of the premium rate, the rate of premiums or assessments, the name of each claimant, and the amount paid for each loss suffered.

SECTION 2. Repealer: Section 911.304(c) (relating to requiring the names of each claimant in a report), Insurance Code.

SECTION 3. Effective date: upon passage or September 1, 2007.