

BILL ANALYSIS

S.B. 849
By: Hegar
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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

ANALYSIS

S.B. 849 relates to the submission of annual reports by farm mutual insurance companies.

The bill amends the Texas Insurance Code by modifying the content requirements of the annual report. The Texas Insurance Code originally required that the rate, assessments, name of each claimant and the amount paid for each loss suffered, except as provided by Subsection (c), be shown in the annual report. S.B. 849 deleted this text and added new text. S.B. 849 now states that the annual report now must show the total amount of premiums paid during the year for the policyholders' insurance, the company's operating expenses and the total amount of claims paid and the amount paid for each covered peril.

Finally, S.B. 849 also repeals Section 914.304(c) of the Texas Insurance Code.

EFFECTIVE DATE

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