

By: Martinez

H.B. No. 3312

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to reporting certain information regarding residential  
3 property and personal automobile insurance and public Internet  
4 access to that information.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Chapter 32, Insurance Code, is amended by adding  
7 Subchapter D to read as follows:

8 SUBCHAPTER D. INTERNET ACCESS TO CERTAIN INFORMATION

9 Sec. 32.101. INTERNET WEBSITE. (a) The department, in  
10 conjunction with the office of public insurance counsel, shall  
11 establish and maintain a single Internet website that provides  
12 information to enable consumers to make informed decisions relating  
13 to the purchase of residential property insurance and personal  
14 automobile insurance. The website must include:

15 (1) a description of each type of residential property  
16 insurance policy and personal automobile insurance policy issued in  
17 this state, including a comparison of the coverage, exclusions, and  
18 restrictions of each policy and a spreadsheet that allows a  
19 side-by-side comparison of the features of the policy forms;

20 (2) a listing of each insurer writing residential  
21 property insurance or personal automobile insurance in this state,  
22 indexed by each county or zip code in which the insurer is actively  
23 writing that insurance and a profile of the insurer that includes:

24 (A) contact information for the insurer,

1 including the insurer's full name, address, and phone number and  
2 the insurer's fax number and e-mail address, if available;

3 (B) information on rates charged by the insurer,  
4 including:

5 (i) sample rates for different policyholder  
6 profiles in each county or zip code;

7 (ii) information on the insurer's filed  
8 base rates; and

9 (iii) the percentage by which the rate has  
10 fallen or risen due to filings in the previous 12, 24, and 36  
11 months;

12 (C) a list of policy forms, exclusions,  
13 endorsements, and discounts offered by the insurer;

14 (D) an indication of whether the insurer uses  
15 credit scoring in underwriting and a link to the insurer's credit  
16 model or a link explaining how to request the insurer's credit  
17 model;

18 (E) the insurer's financial rating determined by  
19 A.M. Best and an explanation of the meaning and importance of the  
20 rating;

21 (F) a complaint ratio or similar complaint rating  
22 system for the insurer for each of the previous three years and an  
23 explanation of the meaning of the rating system; and

24 (G) information, other than information made  
25 confidential by law, on the insurer's regulatory and administrative  
26 experience with the department, the office of public insurance  
27 counsel, and insurance regulatory authorities in other states; and

1           (3) if feasible, as determined by the commissioner and  
2 the public insurance counsel:

3           (A) a spreadsheet that allows a side-by-side  
4 comparison of credit scoring models of residential property  
5 insurers in this state; and

6           (B) a spreadsheet that allows a side-by-side  
7 comparison of credit scoring models of private passenger automobile  
8 insurers in this state.

9           (b) The Internet website required by this section may link  
10 to and be linked from the department's and the office of public  
11 insurance counsel's main websites, but must have its own Internet  
12 address distinct from the address of those main sites.

13           (c) The department and the office of public insurance  
14 counsel may include on the Internet website or by link to another  
15 site any other information the department determines is helpful to  
16 consumers of residential property insurance or personal automobile  
17 insurance or that the department is authorized or required to  
18 publish under this code that relates to residential property  
19 insurance or personal automobile insurance.

20           Sec. 32.102. PUBLIC INFORMATION CONCERNING INTERNET  
21 WEBSITE. The department shall publicize the existence of the  
22 Internet website required by this subchapter.

23           Sec. 32.103. DUTIES OF INSURER. (a) This section applies  
24 to each insurer that issues a residential property insurance or  
25 personal automobile insurance policy in this state, including a  
26 Lloyd's plan, a reciprocal or interinsurance exchange, a county  
27 mutual insurance company, a farm mutual insurance company, the

1 Texas Windstorm Insurance Association, the Texas FAIR Plan  
2 Association, and the Texas Automobile Insurance Plan Association.

3 (b) On the request of the department, an insurer shall  
4 provide to the department any information the department determines  
5 is reasonable or necessary to fulfill the department's duties under  
6 this subchapter.

7 (c) An insurer shall print in a conspicuous manner on the  
8 front page of each residential property insurance or personal  
9 automobile insurance policy issued in this state notice of the  
10 Internet website required by this subchapter. The commissioner  
11 shall determine the form and content of the notice.

12 SECTION 2. Section 2251.008, Insurance Code, is amended to  
13 read as follows:

14 Sec. 2251.008. QUARTERLY REPORT OF INSURER; LEGISLATIVE  
15 REPORT. (a) The commissioner shall require each insurer subject to  
16 this subchapter to quarterly file with the commissioner information  
17 relating to changes in losses, premiums, and market share since  
18 January 1, 1993. The commissioner may require an insurer subject to  
19 this subchapter to report to the commissioner, in the form and in  
20 the time required by the commissioner, any other information the  
21 commissioner determines is necessary to comply with this section.

22 (b) Quarterly, the commissioner shall report to the  
23 governor, the lieutenant governor, ~~and~~ the speaker of the house  
24 of representatives, the legislature, and the public regarding:

25 (1) the information provided to the commissioner in  
26 the insurers' reports under Subsection (a); and

27 (2) market conduct, especially rates and consumer

1 complaints.

2 (c) The report required by this section must cover a  
3 calendar quarter and must state:

4 (1) for each insurer that writes a line of insurance  
5 subject to this subchapter, the insurer's:

6 (A) market share;

7 (B) profits and losses;

8 (C) average rate; and

9 (D) average loss ratio;

10 (2) the rate used under this subchapter for each  
11 insurer for each line of insurance written by the insurer that is  
12 subject to this subchapter;

13 (3) for each rate described by Subdivision (2), the  
14 change, stated as a percentage, from the rate previously used by the  
15 insurer on dates that are approximately:

16 (A) three months before the last day of the  
17 quarter covered by the report;

18 (B) six months before the last day of the quarter  
19 covered by the report;

20 (C) 12 months before the last day of the quarter  
21 covered by the report; and

22 (D) 24 months before the last day of the quarter  
23 covered by the report;

24 (4) the average rate used under this subchapter by all  
25 insurers for each line of insurance subject to this subchapter; and

26 (5) for each average rate described by Subdivision  
27 (4), the change, stated as a percentage, from the previous average

1 rate on the dates described by Subdivision (3).

2 (d) Except as provided by Subsection (e), the quarterly  
3 report required by this section must be made available to the  
4 governor, lieutenant governor, speaker of the house of  
5 representatives, legislature, and public not later than the 60th  
6 day after the last day of the calendar quarter covered by the  
7 report.

8 (e) If the commissioner determines that it is not feasible  
9 to provide the report required by this section within the period  
10 specified by Subsection (d) for all lines of insurance subject to  
11 this subchapter, the department:

12 (1) shall make the quarterly report, as applicable to  
13 lines of residential property insurance and personal automobile  
14 insurance, available within the period specified by Subsection (d);  
15 and

16 (2) may delay publication of the quarterly report as  
17 it relates to other lines of insurance subject to this subchapter  
18 until a date specified by the commissioner.

19 SECTION 3. (a) The Texas Department of Insurance, in  
20 conjunction with the office of public insurance counsel, shall  
21 establish the Internet website required by Subchapter D, Chapter  
22 32, Insurance Code, as added by this Act, not later than January 1,  
23 2008. In establishing the Internet website, the department and the  
24 office may use materials developed or published by the department  
25 or the office before the effective date of this Act.

26 (b) Section 32.103, Insurance Code, as added by this Act,  
27 applies only to an insurance policy that is delivered, issued for

1 delivery, or renewed on or after January 1, 2008. A policy that is  
2 delivered, issued for delivery, or renewed before January 1, 2008,  
3 is governed by the law as it existed immediately before the  
4 effective date of this Act, and that law is continued in effect for  
5 that purpose.

6 SECTION 4. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2007.