

By: Lucio

S.B. No. 611

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. APPLICABILITY OF SUBCHAPTER. This subchapter  
10 applies to insurers who comprise the top 25 insurance groups in the  
11 national market and who issue residential property insurance or  
12 personal automobile insurance policies in this state, including a  
13 Lloyd's plan, a reciprocal or interinsurance exchange, a county  
14 mutual insurance company, a farm mutual insurance company, the  
15 Texas Windstorm Insurance Association, the FAIR Plan Association,  
16 and the Texas Automobile Insurance Plan Association.

17 Sec. 32.102. INTERNET WEBSITE. (a) The department, in  
18 conjunction with the office of public insurance counsel, shall  
19 establish and maintain a single Internet website that provides  
20 information to enable consumers to make informed decisions relating  
21 to the purchase of residential property insurance and personal  
22 automobile insurance. The website must include:

23 (1) a description of each type of residential property  
24 insurance policy and personal automobile insurance policy issued in

1 this state, including a comparison of the coverage, exclusions, and  
2 restrictions of each policy that allows a side-by-side comparison  
3 of the features of the policy forms;

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

8 (A) contact information for the insurer,  
9 including the insurer's full name, address, and telephone number  
10 and the insurer's fax number and e-mail address, if available;

11 (B) information on rates charged by the insurer,  
12 including:

13 (i) sample rates for different policyholder  
14 profiles in each county or zip code; and

15 (ii) the percentage by which the sample  
16 rate has fallen or risen due to filings in the previous 12, 24, and  
17 36 months;

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

20 (D) an indication of whether the insurer uses  
21 credit scoring in underwriting, rating, or tiering, and a link to  
22 the insurer's credit model or a link explaining how to request the  
23 insurer's credit model;

24 (E) the insurer's financial rating determined by  
25 A. M. Best or similar rating organization and an explanation of the  
26 meaning and importance of the rating;

27 (F) a complaint ratio or similar complaint rating

1 system for the insurer for each of the previous three years and an  
2 explanation of the meaning of the rating system; and

3 (G) information, other than information made  
4 confidential by law, on the insurer's regulatory and administrative  
5 experience with the department, the office of public insurance  
6 counsel, and insurance regulatory authorities in other states; and

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

9 (A) a side-by-side comparison of credit scoring  
10 models, including factors, key variables, and weights, of  
11 residential property insurers in this state; and

12 (B) a side-by-side comparison of credit scoring  
13 models, including factors, key variables, and weights, of private  
14 passenger automobile insurers in this state.

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

19 (c) The department and the office of public insurance  
20 counsel may include on the Internet website or by link to another  
21 site any other information the department and the office of public  
22 insurance counsel determine is helpful to consumers of residential  
23 property insurance or personal automobile insurance or that the  
24 department or the office of public insurance counsel is authorized  
25 or required to publish under this code that relates to residential  
26 property insurance or personal automobile insurance.

27 Sec. 32.103. PUBLIC INFORMATION CONCERNING INTERNET

1 WEBSITE. The department shall publicize the existence of the  
2 Internet website required by this subchapter.

3 Sec. 32.104. DUTIES OF INSURER. (a) On the request of the  
4 department, an insurer shall provide to the department any  
5 information the department and the office of public insurance  
6 counsel determine is reasonable or necessary to fulfill the  
7 department's and the office of the public insurance counsel's  
8 duties under this subchapter.

9 (b) An insurer shall provide in a conspicuous manner with  
10 each residential property insurance or personal automobile  
11 insurance policy issued in this state notice of the Internet  
12 website required by this subchapter. The commissioner shall  
13 determine the form and content of the notice.

14 SECTION 2. Section 2251.008, Insurance Code, is amended to  
15 read as follows:

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

25 (b) Quarterly, the commissioner shall report to the  
26 governor, the lieutenant governor, ~~and~~ the speaker of the house  
27 of representatives, the legislature, and the public regarding:

1           (1) the information provided to the commissioner,  
2 other than information made confidential by law, in the insurers'  
3 reports under Subsection (a); and

4           (2) market conduct, especially rates and consumer  
5 complaints.

6           (c) The report required by this section must cover a  
7 calendar quarter and:

8           (1) for each insurer that writes a line of insurance  
9 subject to this subchapter, must state the insurer's:

10                   (A) market share;

11                   (B) profits and losses;

12                   (C) average loss ratio; and

13                   (D) whether the insurer submitted a rate filing  
14 during the quarter covered in the report; and

15           (2) for each rate filing submitted under Subdivision  
16 (1)(D), must indicate any significant impact on policyholders, the  
17 overall rate change from the rate previously used by the insurer  
18 stated as a percentage, and any rate changes for the previous 12,  
19 24, and 36 months.

20           (d) Except as provided by Subsection (e), the quarterly  
21 report required by this section must be made available to the  
22 governor, lieutenant governor, speaker of the house of  
23 representatives, legislature, and public not later than the 90th  
24 day after the last day of the calendar quarter covered by the  
25 report.

26           (e) If the commissioner determines that it is not feasible  
27 to provide the report required by this section within the period

1 specified by Subsection (d) for all lines of insurance subject to  
2 this subchapter, the department:

3 (1) shall make the quarterly report, as applicable to  
4 lines of residential property insurance and personal automobile  
5 insurance, available within the period specified by Subsection (d);  
6 and

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

10 SECTION 3. (a) The Texas Department of Insurance, in  
11 conjunction with the office of public insurance counsel, shall  
12 establish the Internet website required by Subchapter D, Chapter  
13 32, Insurance Code, as added by this Act, not later than September  
14 1, 2008. In establishing the Internet website, the department and  
15 the office may use materials developed or published by the  
16 department or the office before the effective date of this Act.

17 (b) Section 32.104, Insurance Code, as added by this Act,  
18 applies only to an insurance policy that is delivered, issued for  
19 delivery, or renewed on or after January 1, 2008. A policy that is  
20 delivered, issued for delivery, or renewed before January 1, 2008,  
21 is governed by the law as it existed immediately before the  
22 effective date of this Act, and that law is continued in effect for  
23 that purpose.

24 SECTION 4. This Act takes effect immediately if it receives  
25 a vote of two-thirds of all the members elected to each house, as  
26 provided by Section 39, Article III, Texas Constitution. If this  
27 Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2007.