

1-1 By: Lucio S.B. No. 611  
1-2 (In the Senate - Filed February 13, 2007; February 27, 2007,  
1-3 read first time and referred to Committee on Business and Commerce;  
1-4 March 26, 2007, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 8, Nays 0; March 26, 2007,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 611 By: Lucio

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to reporting certain information regarding residential  
1-11 property and personal automobile insurance and public Internet  
1-12 access to that information.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Chapter 32, Insurance Code, is amended by adding  
1-15 Subchapter D to read as follows:

1-16 SUBCHAPTER D. INTERNET ACCESS TO CERTAIN INFORMATION

1-17 Sec. 32.101. APPLICABILITY OF SUBCHAPTER. This subchapter  
1-18 applies to insurers who comprise the top 25 insurance groups in the  
1-19 national market and who issue residential property insurance or  
1-20 personal automobile insurance policies in this state, including a  
1-21 Lloyd's plan, a reciprocal or interinsurance exchange, a county  
1-22 mutual insurance company, a farm mutual insurance company, the  
1-23 Texas Windstorm Insurance Association, the FAIR Plan Association,  
1-24 and the Texas Automobile Insurance Plan Association.

1-25 Sec. 32.102. INTERNET WEBSITE. (a) The department, in  
1-26 conjunction with the office of public insurance counsel, shall  
1-27 establish and maintain a single Internet website that provides  
1-28 information to enable consumers to make informed decisions relating  
1-29 to the purchase of residential property insurance and personal  
1-30 automobile insurance. The website must include:

1-31 (1) a description of each type of residential property  
1-32 insurance policy and personal automobile insurance policy issued in  
1-33 this state, including a comparison of the coverage, exclusions, and  
1-34 restrictions of each policy that allows a side-by-side comparison  
1-35 of the features of the policy forms;

1-36 (2) a listing of each insurer writing residential  
1-37 property insurance or personal automobile insurance in this state,  
1-38 indexed by each county or zip code in which the insurer is actively  
1-39 writing that insurance, and a profile of the insurer that includes:

1-40 (A) contact information for the insurer,  
1-41 including the insurer's full name, address, and telephone number  
1-42 and the insurer's fax number and e-mail address, if available;

1-43 (B) information on rates charged by the insurer,  
1-44 including:

1-45 (i) sample rates for different policyholder  
1-46 profiles in each county or zip code; and

1-47 (ii) the percentage by which the sample  
1-48 rate has fallen or risen due to filings in the previous 12, 24, and  
1-49 36 months;

1-50 (C) a list of policy forms, exclusions,  
1-51 endorsements, and discounts offered by the insurer;

1-52 (D) an indication of whether the insurer uses  
1-53 credit scoring in underwriting, rating, or tiering, and a link to  
1-54 the insurer's credit model or a link explaining how to request the  
1-55 insurer's credit model;

1-56 (E) the insurer's financial rating determined by  
1-57 A. M. Best or similar rating organization and an explanation of the  
1-58 meaning and importance of the rating;

1-59 (F) a complaint ratio or similar complaint rating  
1-60 system for the insurer for each of the previous three years and an  
1-61 explanation of the meaning of the rating system; and

1-62 (G) information, other than information made  
1-63 confidential by law, on the insurer's regulatory and administrative

2-1 experience with the department, the office of public insurance  
 2-2 counsel, and insurance regulatory authorities in other states; and

2-3 (3) if feasible, as determined by the commissioner and  
 2-4 the public insurance counsel:

2-5 (A) a side-by-side comparison of credit scoring  
 2-6 models, including factors, key variables, and weights, of  
 2-7 residential property insurers in this state; and

2-8 (B) a side-by-side comparison of credit scoring  
 2-9 models, including factors, key variables, and weights, of private  
 2-10 passenger automobile insurers in this state.

2-11 (b) The Internet website required by this section may link  
 2-12 to and be linked from the department's and the office of public  
 2-13 insurance counsel's main websites, but must have its own Internet  
 2-14 address distinct from the address of those main sites.

2-15 (c) The department and the office of public insurance  
 2-16 counsel may include on the Internet website or by link to another  
 2-17 site any other information the department and the office of public  
 2-18 insurance counsel determine is helpful to consumers of residential  
 2-19 property insurance or personal automobile insurance or that the  
 2-20 department or the office of public insurance counsel is authorized  
 2-21 or required to publish under this code that relates to residential  
 2-22 property insurance or personal automobile insurance.

2-23 Sec. 32.103. PUBLIC INFORMATION CONCERNING INTERNET  
 2-24 WEBSITE. The department shall publicize the existence of the  
 2-25 Internet website required by this subchapter.

2-26 Sec. 32.104. DUTIES OF INSURER. (a) On the request of the  
 2-27 department, an insurer shall provide to the department any  
 2-28 information the department and the office of public insurance  
 2-29 counsel determine is reasonable or necessary to fulfill the  
 2-30 department's and the office of the public insurance counsel's  
 2-31 duties under this subchapter.

2-32 (b) An insurer shall provide in a conspicuous manner with  
 2-33 each residential property insurance or personal automobile  
 2-34 insurance policy issued in this state notice of the Internet  
 2-35 website required by this subchapter. The commissioner shall  
 2-36 determine the form and content of the notice.

2-37 SECTION 2. Section 2251.008, Insurance Code, is amended to  
 2-38 read as follows:

2-39 Sec. 2251.008. QUARTERLY REPORT OF INSURER; LEGISLATIVE  
 2-40 REPORT. (a) The commissioner shall require each insurer subject  
 2-41 to this subchapter to quarterly file with the commissioner  
 2-42 information relating to changes in losses, premiums, and market  
 2-43 share since January 1, 1993. The commissioner may require an  
 2-44 insurer subject to this subchapter to report to the commissioner,  
 2-45 in the form and in the time required by the commissioner, any other  
 2-46 information the commissioner determines is necessary to comply with  
 2-47 this section.

2-48 (b) Quarterly, the commissioner shall report to the  
 2-49 governor, the lieutenant governor, ~~and~~ the speaker of the house  
 2-50 of representatives, the legislature, and the public regarding:

2-51 (1) the information provided to the commissioner,  
 2-52 other than information made confidential by law, in the insurers'  
 2-53 reports under Subsection (a); and

2-54 (2) market conduct, especially rates and consumer  
 2-55 complaints.

2-56 (c) The report required by this section must cover a  
 2-57 calendar quarter and:

2-58 (1) for each insurer that writes a line of insurance  
 2-59 subject to this subchapter, must state the insurer's:

2-60 (A) market share;

2-61 (B) profits and losses;

2-62 (C) average loss ratio; and

2-63 (D) whether the insurer submitted a rate filing  
 2-64 during the quarter covered in the report; and

2-65 (2) for each rate filing submitted under Subdivision  
 2-66 (1)(D), must indicate any significant impact on policyholders, the  
 2-67 overall rate change from the rate previously used by the insurer  
 2-68 stated as a percentage, and any rate changes for the previous 12,  
 2-69 24, and 36 months.

3-1 (d) Except as provided by Subsection (e), the quarterly  
3-2 report required by this section must be made available to the  
3-3 governor, lieutenant governor, speaker of the house of  
3-4 representatives, legislature, and public not later than the 90th  
3-5 day after the last day of the calendar quarter covered by the  
3-6 report.

3-7 (e) If the commissioner determines that it is not feasible  
3-8 to provide the report required by this section within the period  
3-9 specified by Subsection (d) for all lines of insurance subject to  
3-10 this subchapter, the department:

3-11 (1) shall make the quarterly report, as applicable to  
3-12 lines of residential property insurance and personal automobile  
3-13 insurance, available within the period specified by Subsection (d);  
3-14 and

3-15 (2) may delay publication of the quarterly report as  
3-16 it relates to other lines of insurance subject to this subchapter  
3-17 until a date specified by the commissioner.

3-18 SECTION 3. (a) The Texas Department of Insurance, in  
3-19 conjunction with the office of public insurance counsel, shall  
3-20 establish the Internet website required by Subchapter D, Chapter  
3-21 32, Insurance Code, as added by this Act, not later than September  
3-22 1, 2008. In establishing the Internet website, the department and  
3-23 the office may use materials developed or published by the  
3-24 department or the office before the effective date of this Act.

3-25 (b) Section 32.104, Insurance Code, as added by this Act,  
3-26 applies only to an insurance policy that is delivered, issued for  
3-27 delivery, or renewed on or after January 1, 2008. A policy that is  
3-28 delivered, issued for delivery, or renewed before January 1, 2008,  
3-29 is governed by the law as it existed immediately before the  
3-30 effective date of this Act, and that law is continued in effect for  
3-31 that purpose.

3-32 SECTION 4. This Act takes effect immediately if it receives  
3-33 a vote of two-thirds of all the members elected to each house, as  
3-34 provided by Section 39, Article III, Texas Constitution. If this  
3-35 Act does not receive the vote necessary for immediate effect, this  
3-36 Act takes effect September 1, 2007.

3-37 \* \* \* \* \*