

BILL ANALYSIS

C.S.H.B. 1095
By: Vo
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texans pay the highest residential insurance premiums in the nation. According to a recent national study by the National Association of Insurance Commissioners, Texas homeowners pay approximately twice the national average. Currently, the Department's website does have rate comparisons of these high rates. However, the consumer must navigate through five pages before getting any information. While the information received through that process has value and should be continued, there should be a way for the consumer to quickly compare companies.

C.S.H.B. 1095 requires the Texas Department of Insurance to prominently link the rates of residential property insurers on the main page of their website. This link will lead the customer to a website with a different Internet address than the address of the main Texas Department of Insurance sites, but will offer a comprehensive comparison of rates for possible residential property insurers. This speeds and simplifies the process of rate comparison.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1095 amends Section 32.102 (b) of the Insurance code by requiring that the Internet website added by Section 32.102 must link, from the main pages of both the Texas Department of Insurance and the Public Insurance Counsel, to a website that has its own distinct Internet address which will provide the rate comparisons.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 1095 differs from the original by changing the caption to specify that the bill relates to posting on the Internet certain rate information concerning residential property insurance, rather than to the regulation of such insurance, including penalties.

All language from the original bill was struck and this substitute language is laid out in lieu of the original language per the request of the Texas Department of Insurance to simplify the legislation. The original language implied that the Texas Department of Insurance had to list, themselves, the rate comparisons. The substitute language allows the Texas Department of Insurance to prominently link from their main page these comparisons. Although the language is simplified, the original intent of the bill is maintained.