

BILL ANALYSIS

S.B. 1001
By: Deuell
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Office of Public Insurance Counsel (OPIC) was created as an independent state agency in 1991 by the 72nd Legislature to represent Texas consumers as a class in insurance matters. OPIC's main functions today include working with the Texas Department of Insurance (TDI) and insurance companies to negotiate changes in insurance rates and forms that are advantageous to consumers; participating in contested rate cases and industry-wide rate hearings before the State Office of Administrative Hearings and the Commissioner of Insurance; appearing in judicial appeals at district court and the court of appeals; advocating on behalf of consumers in rulemaking procedures at TDI; and providing information to consumers to help them understand their rights and compare certain insurance products.

The Office of Public Insurance Counsel is subject to the Sunset Act and will be abolished on September 1, 2009, unless continued by the Legislature. The Sunset Commission found that a consumer perspective in regulating insurance is important, and that Texas benefits from maintaining an independent agency to perform this function. The Sunset Commission recommended continuation of the agency and applied several standard Sunset across-the-board recommendations that are contained in this legislation.

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

Continuation of the Office of Public Insurance Counsel

S.B. 1001 changes the Office of Public Insurance Counsel's Sunset review date to 2021 to continue the agency for 12 years.

Applies standard Sunset across-the-board recommendations

S.B. 1001 updates standard Sunset language prohibiting the Public Counsel, high-level employees, and spouses from serving as an officer or employee of a related Texas trade association. The bill also adds standard Sunset language requiring the Office to make effective use of technology in its delivery of services and provision of information to the public. The bill also adds standard Sunset language requiring the Office to develop a policy that encourages the use of alternative dispute resolution.

EFFECTIVE DATE

September 1, 2009