

## **BILL ANALYSIS**

H.B. 1950  
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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, 2011, 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 one standard Sunset across-the-board recommendation that is 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***

H.B. 1950 changes the Office of Public Insurance Counsel's Sunset review date to 2023 to continue the agency for 12 years.

#### ***Applies a standard Sunset across-the-board recommendation***

H.B. 1950 applies standard Sunset language requiring the Office to develop a policy that encourages the use of alternative dispute resolution.

### **EFFECTIVE DATE**

September 1, 2011