

BILL ANALYSIS

H.B. 3117
By: Vo
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that automobile and home insurers may record a policyholder's inquiry regarding certain coverage in the insurer's database regardless of whether an event occurred. These parties note that the record of such an inquiry may negatively affect the policyholder's coverage and may remain in the database for years. It is asserted that a policyholder should be able to inquire as to whether a particular peril is covered without the insurer acting as though a loss has occurred and recording it in a claims database. The parties contend that legislation is required to prevent certain insurers from using these inquiries about coverage against the policyholder. H.B. 3117 seeks to address matters relating to the reporting of information to claims databases by insurers.

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

H.B. 3117 amends the Insurance Code to prohibit an insurer authorized to write personal automobile insurance or residential property insurance in Texas or an insurer's agent from reporting to a claims database information regarding an inquiry by an insured regarding coverage provided under a personal automobile insurance policy or a residential property insurance policy unless and until the insured files a claim under the policy. The bill defines "claims database" and provides for the meaning of "insurer," "personal automobile insurance," and "residential property insurance" by reference.

EFFECTIVE DATE

September 1, 2011.