

BILL ANALYSIS

H.B. 3157
By: Torres
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Observers note that an admitted personal lines auto insurer in Texas must participate on a pro rata basis in the Texas Automobile Insurance Plan Association (TAIPA), the insurer of last resort. It is noted that part of this requirement entails the insurer's participation in the mandatory offer of coverage program, and observers also point to a requirement that an insurer take policies out of TAIPA. The parties describe the take out program as a requirement for the insurer to offer state minimum limits of bodily injury liability and property damage liability coverage at the same rates as the established rates.

Interested parties report that, because of the rates requirement, insurers have employees rate the plans manually and that, with a decreasing demand for use of TAIPA and the increasingly competitive automobile insurance market in Texas, this service is required less and less. H.B. 3157 seeks to address this issue.

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. 3157 amends the Insurance Code to authorize the Texas Automobile Insurance Plan Association's plan of operation to accept an authorized insurer's offer to write coverage that is currently provided by the insurer under an assignment made under statutory provisions governing the association.

EFFECTIVE DATE

September 1, 2011.