

## **BILL ANALYSIS**

S.B. 647  
By: Hegar  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The legislature created the Office of Public Insurance Counsel (OPIC) in 1991, as an independent agency to advocate for consumers as a class in insurance regulation. OPIC is subject to the Texas Sunset Act and will be abolished on September 1, 2011, unless continued by the legislature.

OPIC underwent Sunset Advisory Commission review last session, but the bill did not pass. As a result, OPIC underwent a special purpose Sunset review, and this bill contains the recommendations that continue to be appropriate for consideration by this legislature. The Sunset Advisory Commission found that a consumer perspective in regulating insurance is important, and that Texas benefits from maintaining an independent agency to perform this function.

As proposed, S.B. 647 amends current law relating to the continuation and operation of OPIC of public insurance counsel.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **ANALYSIS**

SECTION 1. Amends Section 501.003, Insurance Code, to provide that the Office of Public Insurance Counsel (OPIC), unless continued in existence as provided by Chapter 325, Government Code (Texas Sunset Act) is abolished September 1, 2023, rather than September 1, 2011.

SECTION 2. Amends Subchapter D, Chapter 501, Insurance Code, by adding Section 501.160, as follows:

Sec. 501.160. ALTERNATIVE DISPUTE RESOLUTION PROCEDURES. (a) Requires OPIC to develop and implement a policy to encourage the use of appropriate alternative dispute resolution procedures under Chapter 2009 (Alternative Dispute Resolution for Use by Governmental Bodies), Government Code, to assist in the resolution of internal and external disputes under OPIC's jurisdiction.

(b) Requires that OPIC's procedures relating to alternative dispute resolution conform, to the extent possible, to model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution procedures by state agencies.

(c) Requires OPIC to:

- (1) coordinate the implementation of the policy adopted under Subsection (a);
- (2) provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and
- (3) collect data concerning the effectiveness of those procedures.

SECTION 3. Effective date: September 1, 2011.

**EFFECTIVE DATE**

Effective date: September 1, 2011.