

By: Smithee

H.B. No. 1310

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the office of public insurance counsel's authority to
3 initiate a hearing on or object to insurance rates or rate filings.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 501.153, Insurance Code, is amended to
6 read as follows:

7 Sec. 501.153. AUTHORITY TO APPEAR, INTERVENE, OR INITIATE.

8 (a) The public counsel:

9 (1) may appear or intervene, as a party or otherwise,
10 as a matter of right before the commissioner or department on behalf
11 of insurance consumers, as a class, in matters involving:

- 12 (A) rates, rules, and forms affecting:
13 (i) property and casualty insurance;
14 (ii) title insurance;
15 (iii) credit life insurance;
16 (iv) credit accident and health insurance;

17 or

18 (v) any other line of insurance for which
19 the commissioner or department promulgates, sets, adopts, or
20 approves rates, rules, or forms;

21 (B) rules affecting life, health, or accident
22 insurance; or

23 (C) withdrawal of approval of policy forms:

24 (i) in proceedings initiated by the

1 department under Sections 1701.055 and 1701.057; or

2 (ii) if the public counsel presents
3 persuasive evidence to the department that the forms do not comply
4 with this code, a rule adopted under this code, or any other law;

5 (2) may initiate or intervene as a matter of right or
6 otherwise appear in a judicial proceeding involving or arising from
7 an action taken by an administrative agency in a proceeding in which
8 the public counsel previously appeared under the authority granted
9 by this chapter;

10 (3) may appear or intervene, as a party or otherwise,
11 as a matter of right on behalf of insurance consumers as a class in
12 any proceeding in which the public counsel determines that
13 insurance consumers are in need of representation, except that the
14 public counsel may not intervene in an enforcement or parens
15 patriae proceeding brought by the attorney general; and

16 (4) may appear or intervene before the commissioner or
17 department as a party or otherwise on behalf of small commercial
18 insurance consumers, as a class, in a matter involving rates,
19 rules, or forms affecting commercial insurance consumers, as a
20 class, in any proceeding in which the public counsel determines
21 that small commercial consumers are in need of representation.

22 (b) At the request of the public counsel, the commissioner
23 shall order an administrative hearing otherwise authorized by this
24 code to consider any matter related to insurance rates or rate
25 filings.

26 SECTION 2. Section 2251.106(b), Insurance Code, is amended
27 to read as follows:

1 (b) If the public insurance counsel determines that a rate
2 or rate filing does not comply with the requirements of this
3 chapter, the counsel [~~The public insurance counsel, not later than~~
4 ~~the 30th day after the date of a rate filing under this chapter,~~]
5 may file with the commissioner a written objection to:

- 6 (1) an insurer's rate or rate filing; or
7 (2) the criteria on which the insurer relied to
8 support [~~determine~~] the rate or rate filing.

9 SECTION 3. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2011.