

## MINUTES

### SENATE COMMITTEE ON BUSINESS & COMMERCE

Tuesday, July 10, 2012

10:00 AM

Capitol Extension, Room E1.016

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Pursuant to a notice posted in accordance with Senate Rule 11.10 and 11.18, a public hearing of the Senate Committee on Business & Commerce was held on Tuesday, July 10, 2012, in the Capitol Extension, Room E1.016, at Austin, Texas.

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#### **MEMBERS PRESENT:**

Senator John Carona, Chair

Senator Craig Estes

Senator Eddie Lucio, Jr.

Senator Leticia Van de Putte

Senator Kirk Watson

Senator John Whitmire

#### **MEMBERS ABSENT:**

Senator Chris Harris, Vice Chair

Senator Kevin Eltife

Senator Mike Jackson

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The chair called the meeting to order at 10:00 AM. There being a quorum present, the following business was transacted:

The Committee heard a quarterly update from the Public Utility Commission (see witness list).

The Committee took invited and public testimony on the interim study charge "Study the relationship between city governments and municipally-owned utilities, including any duplicative or redundant functions, the amounts and justifications required for transfer payments between the entities, and the benefits and disadvantages of alternative governance structures."

The Committee took invited and public testimony on the interim study charge "Review current and pending ERCOT protocols as they apply to all generation technology, and identify those protocols that may provide operational, administrative, or competitive advantages to any specific generation by fuel type. Consider the impact any revisions to the protocols may have on grid reliability and electricity rates. Make recommendations for revisions or statutory changes to limit distortions in the Texas electrical market."

The Committee took invited and public testimony on the interim study charge "Conduct a broad review of the Texas homeowners insurance market and make recommendations to improve transparency and consumer education, ensure fair practices, and lower rates. Specifically, consider the following:

- Compare Texas' homeowners insurance premiums with those of other states and identify the factors underlying Texas' premium levels and recommend steps that the Legislature may take to reduce homeowners' rates, if appropriate;
- Study strategies that increase awareness of state insurance resources to help consumers compare rates and coverage among various insurance providers;
- Study the relationship between insurance premiums and construction costs, especially as associated with recovery from natural disasters, to ensure that consumers are treated fairly;
- Review the use by insurers, in rating and underwriting decisions, of customer inquiries regarding the general terms or conditions of, or coverage offered under, an insurance policy."

There being no further business, at 3:00 PM Senator Watson moved that the Committee stand recessed subject to the call of the chair. Without objection, it was so ordered.

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Senator John Carona, Chair

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Steven Polunsky, Clerk